Daily Report

Latin America

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Cuba

ANC President Mandela Continues 2-Day Visit

Threatens To Use People Power

MB2707073591 Umtata Capital Radio in English 0700 GMT 27 Jul 91

[Text] In Cuba ANC [African National Congress] President Nelson Mandela has threatened the South African [SA] Government with the power of the people if it drags its' feet over reforms to end apartheid. In a tough speech on the second day of his visit to Cuba, Mandela yesterday also repeated a call for the formation of an interim government and elections to form a constituent assembly.

Referring to the Inkathagate scandal, Mandela accused Pretoria of using its power to harass and weaken the ANC. He said if Pretoria doesn't listen, the ANC will use its power to convince them, and says Mandela, that power is the power of the people.

Mandela was the guest of honor at National celebrations to mark the 38th anniversary of an abortive guerrilla attack led by Fidel Castro against an army barracks that was the prelude to the 1959 Cuban Revolution. Mandela praised Cuba as one of the few friends the ANC had and he referred to a vicious imperialist-orchestrated campaign to destroy the gains made in Cuba.

Awarded Solidarity Medal

FL2707185291 Havana Cuba Vision Network in Spanish 1700 GMT 27 Jul 91

[Text] This morning Nelson Mandela, president of the African National Congress, received the Order of Solidarity award. The medal, which was being awarded for the first time, was presented to the president of the ANC by Rene Anillo, executive secretary general of the Afro-Asian-Latin American Peoples' Solidarity Organization. Anillo presented him with the award in virtue of his merits and political achievements for the freedom of his people.

Mandela expressed his gratitude for the award and said he has enjoyed his stay in our country. He emphasized that what he had seen and heard had been a source of inspiration for his delegation and that they now have a greater knowledge of Cuba, its history, and its revolution.

Defends Cuban Regime

PA2807133791 Hamburg DPA in Spanish 1815 GMT 27 Jul 91

[Text] Havana, 27 Jul (DPA)—Those who criticize Cuba for alleged human rights violations never criticize the South African Government for its policy of racial discrimination, Nelson Mandela, leader of the African National Congress (ANC) said in Havana today.

In a news conference at the end of his two-day official visit to the island, during which he held talks with President Fidel Castro, the veteran African leader strongly defended the Cuban regime against the accusations made by human rights organizations.

"Who are they to protest against Cuba when they have said nothing about racial discrimination in South Africa for 42 years? Who are they to teach lessons," Mandela asked. "Many of those who are now trying to warn us about Cuba have supported apartheid for years," Mandela added.

During a speech delivered last night to commemorate the 38th anniversary of the attack on the Moncada Barracks, he said that the victory of the Cuban troops in Angola not only allowed this country to "enjoy peace and consolidate its own sovereignty," but it also made the independence of Namibia possible and inspired the South African people in their struggle against the rascist regime.

Answering questions from the international media, Mandela recalled the visit he made to Miami last year and he regretted the divisions his visit produced between Cuban exiles and the black community.

"The people of Miami have a right to their own opinion and to pick their friends and allies. The South African people, in general, and my organization, in particular, also have the right to pick our friends. In this particular case, Cuba is our friend," he added.

Mandela noted that while the government of Fidel Castro was helping the African movement, the Cuban community in exile supported apartheid. "I had a very high opinion of Cuba before, but it is greater now," he said.

The African leader was the guest of honor in the mass celebration held last night in Matanzas, northwest of the capital, on the occasion of the 38th anniversary of the attack on the...[sentence incomplete]

Reportage on Moncada Barracks Anniversary

Gorbachev Sends Greetings

FL2607142591 Havana Tele Rebelde Network in Spanish 1300 GMT 26 Jul 91

[Text] In a message addressed to Commander in Chief Fidel Castro on national rebellion day, the President of the USSR, Mikhail Gorbachev, has said: On the occasion of this memorable day for the Republic of Cuba, I send to you and the Cuban people my best wishes and congratulations.

The message continues: The friendship and feelings of the Soviet people for the Cuban people are unalterable. In the USSR, we appreciate all the positive aspects of the intergovernmental relations and emotionally rich human relations that have been formed during the years of the revolution.

He also adds: The Soviet Union favors the renovation and development of cooperation with Cuba, and the

perfecting of collaboration in view of the interests of the peoples of both countries and the building of new international relations.

Solidarity Acts Reported

FL2707131391 Havana Tele Rebelde Network in Spanish 0250 GMT 27 Jul 91

[Text] A declaration of solidarity with our country signed by over 100 Spanish intellectuals was released today in Madrid. The document affirms that Cuba is not alone and emphasizes that the government has always maintained the dignity that each historic moment required. The signers condemned the U.S. blockade against Cuba and the EC governments' attitudes, which follow the dictates of Washington in the inhumane and unjust treatment of the Cuban nation.

The 38th anniversary of the Moncada Barracks attack was remembered today in DPRK newspapers and in a Pyongyang political event, where they hailed political ties between the two countries.

The People's Party of Panama called for the prevention of armed aggression against Cuba, which occurred in 1989. They also denounced Washington's policy of terrorism against Cuba, which is part of a plan to end Latin American independence and self-determination.

'U.S. Campaign' Against Nuclear Plant Cited

PA2807144091 Hamburg DPA in Spanish 1851 GMT 27 Jul 91

[Text] Havana, 27 Jul (DPA)—Cuban nuclear physicist Alejandro Bilbao said today that "the U.S. campaign" against the operation of Cuba's first nuclear power plant "seeks to block the economic development" of the island.

The nuclear plant being built in Juragua, 175 km southeast of Havana, will be very important for Cuba's energy sector because "the first two reactors alone will allow for an annual savings of 1.2 million metric tons of petroleum," the expert told DPA in an interview.

According to Bilbao, "the rightist circles" of the U.S. Republican Party and the Cuban exile community in Florida oppose the development of nuclear power on the island because they fear that the Juragua plant "will do nothing more than contribute to the perpetuation of Communism in Cuba."

The Cuban scientist, who is state inspector for nuclear and radiology security, reiterated the Fidel Castro government's willingness to receive international inspectors at the power plant, whose first block of reactors should begin operating at the end of 1993. "If they (the United States) are concerned about Juragua, we are also concerned about the Florida nuclear power plant, which has been operating for many years," Bilbao said in reference to the fears voiced by the United States about the danger that a possible serious accident in the Cuban power plant could pose for the U.S. population.

Nevertheless, Michael Kozak, principal deputy secretary of state for Inter-American affairs, stated in a document sent to the U.S. Senate on 25 July that "there is no possibility that a tragedy similar to the one that occurred in Chernobyl in 1986 will occur in the nuclear plant being built in Cuba."

Commentaries View Latin America Region, Summit

Economic Policies Examined

PA2607141291 Havana Radio Havana Cuba in Spanish 0100 GMT 20 Jul 91

["Our America" commentary read by Pedro Martinez Pires]

[Text] Unemployment and one of its immediate consequences, the informal economy [economia formal], are two problems that adversely affect the Latin American region. The economic policies imposed by large international financial organizations on our countries have only reinforced the famous reduction of public expenditure, which leads to privatization and the elimination of employees from the payrolls of enterprises and factories so as to make them more profitable, they say.

During his speech on Thursday, 18 July, at the summit meeting held in Guadalajara, Mexico, Cuban President Fidel Castro said that the policies of pressure imposed by international banks have caused over 250 million people to go poor. These policies have not brought in foreign exchange from abroad, but they have promoted the export of capital to developed countries.

The huge social and human cost of this reality can be expressed in terms of hunger, disease, illiteracy, poor neighborhoods, millions of homeless children, and almost half of the Latin American population unemployed, underemployed, or suffering from malnutrition, the Cuban chief of state added.

In a document drafted for the Ibero-American Summit, the Economic Commission for Latin America [ECLA], recommends that governments reorganize their public expenditures so as to better serve the poor majorities. The recommendation is very good as advice, but how can the governments that have already adopted the aforementioned policies now take a step backwards?

In 1989, 9.7 percent of the people in Latin America were unemployed. Currently, it is above 10 percent. We must also bear in mind that the people who still have jobs have seen their real wages drop because of the huge inflation that no government has been able to stop.

As we said in the beginning, the immediate result of unemployment and underemployment is the so-called informal economy: street vendors who fill the streets of many Latin American capitals as a telling image of a crisis, which requires better use and reorganization of revenues in order to be faced.

Without a doubt this is a special time because all Latin American heads of state are holding a meeting to remind themselves that isolated policies and plans, no matter what they may be, will only sink our people even deeper into poverty. The goal to attain unity has already existed in Latin America as expressed by various countries, which have implemented joint projects to try to overcome the crisis through integration.

The Guadalajara summit brings great hope for the region. It is not that people think great solutions for the Ibero-American crisis are going to be found in this meeting, but people do expect a consensus leading to a true integration process that can allow the countries to take the first steps leading to a better future

Integrationist Will Hailed

PA2607183091 Havana Radio Havana Cuba in Spanish 0100 GMT 25 Jul 91

["Our America" commentary, read by Julio Dominguez]

[Text] Together we will have more possibilities of securing for ourselves a better future. In opening the first summit meeting of Ibero-American presidents with these words, Mexican President Carlos Salinas de Gortari was announcing to the world a perception that two days later all the participants in the forum decidedly ratified.

The best way to provide mutual assistance is to unite forces during this especially difficult period the Latin American nations are enduring. These nations, rich in natural wealth and in culture, must learn from each other how to occupy the place to which they are entitled.

We said not long ago that when people talk about the economic crisis in Latin America, they immediately think of an initiative proposed by the president of the United States as an inevitable option and as the only escape from the problems negatively affecting those who govern and those who are governed.

Our regional history speaks of how our forefathers joined forces regardless of their different nationalities. Fighters from all social sectors also joined forces to wage heroic battles for independence. If they were able to join forces and make immeasurable sacrifices, now our nations can again join forces to wage the struggle for economic independence. This struggle will perhaps not produce any blood-shedding but it is equally difficult and demands as much tenacity.

In modern days, the biggest battle could come in the form of a struggle against a neoliberal project that calls for the total opening of local economies and the selling of sovereignty through the practice of privatization, regardless of consequences.

Referring to this matter, Cuban President Fidel Castro said: I have noticed that after almost a decade of implementing neoliberal policies in the region, neoliberalism has not been able to attract foreign capital in spite of the dispensations this capital has been granted. Neoliberalism, however, has contributed to Latin America transferring abroad the impressive figure of $224 billion in the past eight years.

When one thinks about this, the social price our countries have had to pay comes to mind. The social cost includes chronic unemployment, extreme poverty, and an acute social polarization. These are, unfortunately, the most distinct characteristics of today's Latin America.

In President Fidel Castro's opinion—an opinion that was shared by his colleagues of this continent—in view of this situation it is necessary to find, collectively, an efficient and coherent answer. He pointed to the importance of giving continuity to the contacts that were established during the recent summit to forge a framework in order to begin marching toward greater unity and broad and effective cooperation; to secure, at a suitable moment, the necessary economic and political integration.

The Latin American people—workers, farmers, scientists, artists, and mothers who are apprehensive about their children's future—are watching. It is up to those who recently signed the Guadalajara Declaration not to disappoint them.

* Pan American Village Lodgings Described

91CA0183A Havana BOHEMIA in Spanish17 May 91 pp 34-37

[Text] Cubans from Havana and elsewhere may well be amazed when they hear about the accommodations at the Pan American Village for athletes taking part in the August games. Moreover, many of those coming to compete will wonder how a country under blockade and beset by drastic economic restrictions could muster the ingenuity for such a project. This small, beautiful, and complete new city sits just a few hundred meters from the fields where the games will take place in East Havana.

Thousands of people have struggled every day for months to get a look at what is going on. They have cast their gaze over the hills of the Monumental Way or peered through the few guao trees dotting the hitherto barren sawtooth ridge. They may have been intrigued by a glimpse of some rooftops, but the living area has remained a secret except, of course, to its designers and builders.

Neither frequent press accounts nor massive volunteer work brigades have lifted the veil that blocks the view of curious passersby and nearby neighbors. The natural lay of the land between Monumental Way and the ocean has served to keep the village beyond the view of those of us who are frequently in the vicinity.

Not even next door neighbors in the little town that served as the setting for The Old Man and the Sea know for sure what lies at the end of their newly extended streets. The facilities where some 5,000 athletes will live during the Pan American Games will later become home to several thousand new neighbors.

What is novel about the village is not just its surrounding landscape. It is not just its aquamarine color scheme, its breezes, or the terraces descending to the seashore. Nor is it a matter of the high quality, mostly native building materials that are neither imported nor brought from some other planet. What, then, is the source of this amazement?

Novel Approach

It is a matter of structural design and layout. Each building has a "personality" or style of its own. Rather than being isolated from one another, the buildings are contiguous with a common facade in the traditional fashion. This gives the impression of a "return" to what was done in the past.

The "city atmosphere"—achieved mainly along the central avenue or promenade—is very familiar to residents of Havana or other Cuban cities. Another way to describe the concentration of buildings facing major streets and thoroughfares is in terms of their so-called "open modular" construction. Here, for the first time, are buildings which are all different and all made from separate plans but from standardized prestressed concrete parts. It is as if several different houses were built from the same pieces in a set of dominos.

The approach taken at the Pan American Village raises several issues in the fields of city planning, aesthetics, and economics. As a residential area, it affords the diversity of building styles found in our major population centers while preserving the idea of a "vital" center. In terms of eye appeal, what the different buildings offer is an infinity of pleasing, often beautiful, ornamental and technical details without a high degree of harmony or the impression of extreme luxury. Above all, there is a sense that each structure possesses an identity and style of its own.

We have often criticized the monotony of residential areas that make massive use of a single prototype. The resulting dwellings are not only unattractive. They are also almost impossible for anyone, even those who live in them, to tell apart.

People have always talked about where they live by saying: "My house is the yellow one with the red roof tiles, an arch over the doorway, and a wrought iron balcony." However, the mad rush to find quick and easy solutions to housing problems in recent decades has produced a large number of multifamily structures with the same floorplan (such as the widely used E-14 and others). This has ruled out giving them the "distinctive stamp" that lets people identify with the place where they live.

These buildings—in the "closed modular" style—filled huge residential areas in Cuban cities from the early seventies on. Although they played a very important role and were inexpensive, most were the work of microbrigades using poor materials. They have now been surpassed by the diversity of construction styles first used in the Pan American Village.

A key quality that goes hand in hand with the simple and varied beauty of these buildings is their low cost. This is due first of all to the predominance of prestressed concrete components (mass produced in versatile standard dimensions for multiple uses) in their construction.

Despite their diversity and greater appeal, the individual construction costs for buildings in the village tend to be much lower than for E-14s or other structures built to prototype. This holds true even after factoring in the indispensable and far greater costs associated with the use of traditional on-site masonry and architecture.

The building technologies used in this creative and diverse fashion include the well known Giron system, IMS [Serbian Materials Institute] (from Yugoslavia), and the Cuban SP-86 system in both its solid tile and post and beam variants.

The charming diversity of the Pan American Village makes it not only attractive but also less expensive. This has proven true even though the project is the first large-scale experiment of its kind, and many novel principles and techniques are likely to need further development, perfecting, and consolidation.

The "open modular" style used here will soon extend to new settlements that are beginning to go up in agricultural districts of Havana province. These, I daresay, will turn out to be intriguing and pretty miniature cities in the heart of the countryside.

City Feeling

The Pan American Village, which will open in the next few months, has as its "center" a broad, four-lane main avenue. This thoroughfare features a tree-lined median, wide sidewalks, and rest areas next to the harmonious exteriors of the contiguous row houses. Most of the latter are three stories and have room for community businesses and services on the ground floor that contribute to the area's "city feeling."

Plans now under way call for establishment of two coffee shops, two supermarkets, a bank, an art gallery, a photo studio, a pharmacy, laundry pick-up points, appliance repair shops, a telephone exchange, and family doctors' offices.

The new community will also have a pre-school for 180 children plus primary and secondary schools of 420 and 450 students respectively. During the games these three facilities will serve as a store, a clinic, and a recreation center. There will also be a kitchen and dining room for the athletes and other guests. These will later become a multi-use dining facility for the enjoyment of the resident population.

Ample space is available on the ground floor of the residence building at the entrance to the village for Catholic and evangelical religious services for the athletes.

Two other structures have gone up immediately adjacent to the complex. One is a "sports hotel" with 80 rooms

including 20 suites for officials of visiting sports federations. The other is a large gymnasium outfitted with bleachers, a swimming pool, a sauna, and ticket windows.

Also nearby—at the entrance to the village—is Plaza de las Banderas [Plaza of Flags]. Here the colors of participating nations will fly as the delegations take part in the traditional pageantry of the games.

The future neighborhood will have bus service originating from the Cojimar stop. Its underground telephone and electrical services eliminate the need for power poles within the limits of the small city. It will have its own water and sewage systems and many green spaces anchored on the central "axis" with its roadways and recreation areas that will include ramps for the handicapped.

The broad thoroughfare will extend north to south for six blocks. The 12-meter width of its central corridor will accommodate pedestrian and vehicular traffic. On either side there will be nine-meter lateral boulevards granting access to businesses and, on the buildings' upper floors, living units.

Cross streets that intersect the main avenue will measure seven meters in width. They will be non-commercial and will connect with streets of the Cojimar district. They form a total of 12 blocks of which eight will be residential, permitting optimal use of land due to the compactness of the dwelling spaces. Other blocks will contain an amphitheater, sports areas, automobile parking (Some buildings have basement parking.), and the hotel-gymnasium in Plaza de las Banderas.

The traditional "neighborhood street corner" will regain its identity due to the uniqueness of its component parts. From the outside, the buildings overlooking these rectangular blocks may appear to be "connected," but behind their contiguous exteriors are open play areas not visible from the street.

Nearly all the apartments in the multifamily buildings will have two or three bedrooms with small, discretely located patios for clothes drying. Wrought iron will serve as a decorative element on windows, balconies, and terraces and offer another outlet for expression of the guiding principle of diversity. Roofs will have a good pitch to them, and some will be decorated with native tile, adding a further unmistakably Cuban touch to this present-day wonder city.

Dominica

Government Denies Snubbing Mandela Visit

FL2707175091 Bridgetown CANA in English 1619 GMT 27 Jul 91

[Text] Roseau, Dominica, July 27, CANA—Attorney General Jenner Armour, acting as prime minister, has denied that government snubbed African National Congress (ANC) leader Nelson Mandela by not sending a representative to Jamaica for his visit there last Wednesday.

"One recognises the prime minister of a country just can't rearrange her schedule at the drop of a hat, so to speak, and there were very important previous commitments which the prime minister had which could not be cancelled," Armour said.

Opposition leader Edison James claimed that Prime Minister Eugenia Charles' expressed commitment to the ANC's anti-apartheid struggle lacked conviction if she did not see it fit to meet with Mandela.

"Her reason that she had a previous engagement was too trivial," James said. He also accused Charles of supporting the U.S. lifting economic sanctions on South Africa despite Caribbean Community (Caricom) opinion that such a move is premature.

"The situation in South Africa has changed dramatically.... pointing in the right direction," Armour told CANA. He said Charles had a scheduled meeting with U.S. Ambassador to the Eastern Caribbean Phillip Hughes among other engagements, without explaining the reasons for the prime minister's current absence from the country.

He said Jamaica's Prime Minister Michael Manley had been informed that Charles would not be in Kingston and had raised no objections: "So it seems to me that the opposition is grasping at straws and trying to make an issue where there is none."

Dominican Republic

Balaguer, Council Discuss Strike, Haitians

FL2607175791 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 26 Jul 91

[Live relay from the National Palace with correspondent Viviano de Leon]

[Text] Just moments ago President Joaquin Balaguer opened the regular meeting of the Government Council, which is held in the conference chamber of the National Palace the last Friday of each month. Attending the meeting today are all the secretaries of state, directors and administrators of government institutions, and other members of the cabinet.

This is the second session of the Government Council to be held since being established by executive decree. In today's meeting, the officials will make reports to President Balaguer on the operations of their various enterprises and governmental organizations.

Extra-officially we have learned that they will discuss the strike called to start on 29 July and the repatriation of Haitians. In the decree, President Balaguer established that on the last Friday of each month a Government Council meeting would be held here in the National Palace with the goal of maintaining to date the functioning of the various government institutions.

We repeat, President Joaquin Balaguer is, right now, officiating at the regular meeting of the Government Council which is being held in the conference chamber of the National Palace.

Grenada

Brathwaite: 'No Comment' on Imminent Execution

FL2707135591 Bridgetown CANA in English 2112 GMT 26 Jul 91

[Text] St. George's, Grenada, July 26, CANA—The Grenada Government was on Friday neither confirming nor denying reports that execution is imminent for five of 14 convicts condemned to die for the 1983 murder of former Prime Minister Maurice Bishop and some of his cabinet colleagues. "No comment" was all Prime Minister Nicholas Brathwaite would say about reports in the Grenada TIMES and the Trinidad GUARDIAN.

The response left unquestioned the TIMES unsourced assertion that the five—Bishop's former Deputy Bernard Coard, Army Major Leon Cornwall, and fellow military officers Ewart Layne, Lester Redhead, and Callistus Bernard—would hang by 1 August. Coard, whose leftist ideological feud with Bishop triggered the bloody ordeal, was seen as the mastermind of the October 19, 1983 Army killings of Bishop, three members of his cabinet and four other Grenadians. The eight were lined up against a wall and for about 10 minutes sprayed with machine-gun fire by an Army squad, including Redhead and Bernard.

The Trinidad GUARDIAN newspaper reported Tuesday that executions would begin 21 days after the 12 July verdict of the Grenada Appeal Court, which upheld the convictions of 17 accused, including the 14 condemned to die. Both the GUARDIAN and the TIMES said the decision to hang five had come out of a cabinet meeting here Monday.

Prime Minister Brathwaite said recently that the fate of the 14 was in the hands of the mercy committee. Tourism Minister Joan Purcell, who heads the committee, however said the next move was the governor general's.

"There is nothing to say as yet and when there is something to say, it will be the governor general (the head of state) who will make the statements when he thinks fit," Purcell said. The committee will advise the governor general on its findings after pleas for clemency from the 14 convicts.

The Grenada TIMES urged the prime minister to rethink the decision, if indeed one was made, and grant a reprieve to the 14. "The Grenada TIMES calls on the prime minister to revise this decision. It is not too late for a reprieve," the paper said.

Haiti

Youth Congress Presents Resolutions to Government

FL2607195191 Port-au-Prince Radio Soleil Network in Creole 1300 GMT 25 Jul 91

[Excerpts] The committee in charge of the youth congress held in Damien on 20 and 21 July has presented to the press their resolutions on such issues as the high cost of living, unemployment, literacy, and demacoutization of the state machine. Their published resolutions on unemployment recommend serious land reform, including land grants to peasants; establishment of agricultural credit banks to help peasants acquire funds for seed and fertilizer; and decentralization, providing communal sections with more authority in their development programs.

The congress participants ask the government to initiate programs which will create numerous jobs, such as road-building, reforestation activities, and building; to reopen closed factories, such as the Leogane Sugar Mill and the National Enterprise of Oil Producing Plants; to create conditions suitable for tourism; and to set up a policy to fight unemployment in all the departments.

In the congress' resolutions concerning the high cost of living, the participants ask the government to fix, decrease, and enforce the price of essential products; to take steps to increase national production; to increase taxes on a number of luxury goods such as cars and perfume; and to establish community stores, drugstores, and people's restaurants to help the masses deal with the high cost of living. [passage omitted]

According to committee member Dominique Cesar, the congress has always opposed the IMF, and will continue to maintain this stand since the government has allegedly signed an agreement with the IMF not in the best interest of the people. [passage omitted]

Concerning demacoutization, the participants in the Damien congress say the government must dismiss all officials who are being tolerated in public administration. The government must arrest all those accused by public clamor of having misused public funds, or of having killed people. They ask for control of the Haitian-Dominican border, and an effort to rid the Ministry of the Interior of macoutes.

The participants also ask the government to encourage local brigades and to establish military and public service for young people. They ask the senators and deputies to enact reforms as soon as possible in the state accounting office. Finally, they urge the state to take all measures possible, including voting on a budget, to initiate a literacy campaign, which would include providing food for the people.

ROPNL Urges Mobilization for Macoute Trials

FL2607211891 Port-au-Prince Radio Metropole in French 1600 GMT 25 Jul 91

[Excerpt] Popular organizations are becoming impatient. They are pressuring the government to make reforms in public administration, threatening to take action if nothing is done by 7 August. The Constitution empowers the executive to make administrative changes during the first six months of his term. The deadline for the current administration is 7 August. Following is a report by Jean-Max Blanc.

[Begin Blanc recording] After President Aristide's 23 July speech, in which he warned judges and directors in public administration, the Popular Organizations Assembly for National Liberation [ROPNL] specifically addressed two of the points made in the speech. These two issues are demacoutization of the public sector, and justice.

Regarding demacoutization, Serge Pierre, Lionel Sanon, and Amses Belmun, speaking on behalf of ROPNL, believe that the macoutes are still controlling the state offices. According to these three men, the current government is solely responsible for such a situation, and for not having integrated members of the popular organizations into public administration. The spokesmen for the organization denounced a sector which they did not identify, but which they say has created a gulf between the popular organizations and President Aristide. The representatives described this sector as reactionary, close to the Duvalier regime, and having nothing to do with popular demands.

The other point made related to the matter of justice. According to them, the people in charge of justice should relinquish their seats to young lawyers. The ROPNL representatives not only called on the regional committees to be mobilized on 29 July as a means of thwarting possible violence, but they also said they would take action if matters got out of hand. [passage omitted].

Concerning the demand for demacoutization, several organizations which had participated in a two-day congress last week, published resolutions. Among their demands was a request for government to control the frontier zones with responsible partisans because many macoutes are located in the frontier zones. They also asked that the senators and deputies quickly clean up the accounting department.

In a recent statement, President Jean-Bertrand Aristide announced his plan to integrate members of popular organizations into public offices, a promise that Serge Pierre, Lionel Sanon, and Amses Belmun say he has not kept. President Aristide, in his 23 July speech, sent several warnings to directors of public administration who are trying to sabotage the reform, and to lawyers he considers corrupt. [end recording]

PANPRA Discusses Land Reform, Coup Trial

FL2607221191 Port-au-Prince Radio Nationale in Creole 1300 GMT 26 Jul 91

[Excerpts] After four months of silence, the National Progressive Revolutionary Party of Haiti [PANPRA] held a news conference on 25 July to provide the reason for its silence and to discuss observations on their visit abroad and its results. PANPRA members ask that justice be autonomous in relation to the executive power.

[Begin recording] [Reporter Darguste Claude Marge] If we have been silent for four months, it is because we have been analyzing our failure in the presidential elections, and restructuring the party so it can establish itself and train its members. These were the words of PANPRA leader, Senator Serge Gilles, during a news conference held at the party premises on 25 July. The senator alleged that no political party has worked as hard as they because in the last election they had 115 Communal Section Administration Council members, 42 mayors, and a considerable number of senators and deputies. Gilles denounced the arbitrary arrest of Dr. Apollon, coordinator of the party in Artibonite. [passage omitted]

Professor Arnold Antonin discussed his trip to the United States where he took the opportunity to meet with Haitian organizations on the problems between Haiti and the Dominican Republic, and with a representative of Miami's mayor on the possibility of cultural exchange between Haiti and the United States.

Lawyer Moise Senatus presented an assessment of his participation as PANPRA representative in the meeting of the Conference of Latin American Political Parties [COPPAL] in Valparaiso, Chile. He said he made a speech based on three points: the integration of economic development in Haiti; Haiti's need to stop playing an observer's role in the Caribbean Community; and third:

[Senatus] There must be real development of relations between Haiti and the countries of Latin America.

[Marge] PANPRA was cautious on the subjects of the upcoming coup trial, and on the ministerial delegation that went to Paris to appeal for aid to Haiti. They said they needed copies of the files, including the speeches made by the ministers over there, to study before presenting their position.

On the subject of the coupists' trial, Senatus asserted that these people are criminals and must be tried, but that the executive must not place undue pressure on the judicial system because the examining judge has shown good will on the matter of a trial.

PANPRA believes that the government's top priority is now land reform because the situation of the peasants, who have always been the victims of cruelty and plunder, must improve today. Then we will be able to receive the Haitians arriving from the Dominican Republic. [end recording]

Peasant Massacre Suspects Arrested in Jean-Rabel

FL2607224591 Port-au-Prince Radio Nationale in Creole 1300 GMT 26 Jul 91

[Report by Port-de-Paix correspondent Alexis Georges Monfort]

[Text] On the occasion of the fourth anniversary of the massacre of the peasants of Mahotiere and Jean-Rabel, the police in Jean-Rabel have arrested Patrick Lucas, son of Tordlo Lucas, and Loudy Herard, former chief of the seventh communal section of Djondjon, in the commune of Jean-Rabel. These people are accused of having participated in the massacre of over 200 peasants. The police arrested them on 24 July by order of the justice of the peace of Jean-Rabel. It was Justice Minister Karl Auguste, however, who ordered the justice of the peace to issue arrest warrants against all those the peasants accuse of participating in the massacre of the peasants on 23 July 1987. While commemorating the fourth anniversary of the massacre, the peasants took advantage of Justice Minister Karl Auguste's visit to lodge their complaints with him.

Consequently, Patrick Lucas and Loudy Herard appeared at the government prosecutor's office of the civil court of Port-de-Paix this morning, 26 July. They were questioned by the new deputy, lawyer Nerva Alexis. Patrick Lucas, accompanied by his defender, Albert Garcon, refused to answer the questions. He contended that he knows nothing about the massacre and that he does not know why he has been arrested. Former Section Chief Loudy Herard said it was a battle between factions.

After the questioning, the new deputy sent Patrick Lucas and (Loudy) Herard to join Nichol Pointevien at the civil prison of Port-de-Paix pending next steps. Many others, against whom arrest warrants have been issued, escaped. The police in Jean-Rabel are conducting a search for them.

Jamaica

Manley To Support Sanctions Against Apartheid

FL2707021191 Bridgetown CANA in English 1857 GMT 26 Jul 91

[Text] Kingston, Jamaica, July 26, CANA—Jamaica will remain firm in its support for continued sanctions against apartheid South Africa at October's Commonwealth heads of government conference in Harare, Zimbabwe, Prime Minister Michael Manley said. He gave this assurance to African National Congress (ANC) President Nelson Mandela, Thursday morning, moments before the ANC leader and his wife Winnie ended their one-day official visit to the island.

"I want to clarify beyond a shadow of doubt that we will be taking the strongest possible position in Harare on the issue of sanctions," Manley said. Manley said he and Mandela discussed how Jamaica and the ANC could further co-operate in light of transitions taking place in South Africa.

Manley offered Jamaica's assistance in helping with political organisation, establishment of constitutional law, and training of government workers and other professionals. He said these bridges of cooperation would be built through the Commonwealth secretary general, who has direct links with the ANC.

While recognising that considerable contact already existed between Caribbean nations and South Africa, Mandela said he would welcome a deepening of that relationship. He said it was in the interest of both groups to develop this association.

St. Vincent and the Grenadines

Minister Denies Government Withholding Information

FL2707153891 Bridgetown CANA in English 1215 GMT 27 Jul 91

[Text] Kingstown, St. Vincent, July 27, CANA—St. Vincent and the Grenadines attorney-general and justice minister, Parnel Campbell, has denied that the government is withholding important information from the public involving the seizure by United States authorities, of a St. Vincent registered drug-laden vessel.

The ship, the Lucky Star, was seized in the Pacific about two weeks ago with U.S. 3 billion dollars worth of hashish on board and the 14 man Pakistani crew is now facing charges of violating U.S. criminal code, Campbell said.

"There is no sinister motive behind this," Campbell said on radio and television Thursday evening explaining that the government here had pledged to U.S. authorities that it would not release information in its possession until given the green light by the United States.

Campbell said he expects information will be released shortly about the owners of the Lucky Star as well as "the other companies that are involved in the chain of ownership on paper." The attorney-general was responding to opposition charges that the government was withholding vital information about the incident from the Vincentian public.

Vincent Beache of the St. Vincent Labour Party and Ralph Gonsalves of the Movement for National Unity are also undertaking legal proceedings in the high court here to have the comptroller of customs make the register of ships available for public scrutiny. Campbell, critical of a suggestion by Gonsalves to cease registration of ships of convenience, said this brings in substantial revenue. From an intake of just over 73,000 East Caribbean dollars (one EC dollar = 37 U.S. cents) in 1983, St. Vincent earned 1.8 million dollars from this source in 1990 while so far for 1991, the government's treasury has received 700,000.

Trinidad and Tobago

Rainford on Lesson Learned From Coup Attempt

FL2707165591 Bridgetown CANA in English
1201 GMT 27 Jul 91

[Text] Port-of-Spain, Trinidad, July 27, CANA—Caribbean Community (Caricom) Secretary-General Roderick Rainford says there is a lesson for the Caribbean from the coup attempt on Trinidad and Tobago one year ago.

"I think the lesson to be drawn here, not only for Trinidad and Tobago but by all the Caricom peoples... is that the price of experiencing and enjoying the values we share, the price of freedom and everything that goes with it, is constant vigilance," he told the CARIBBEAN NEWS AGENCY here on Friday.

Rainford was among persons from the Caribbean including parliamentarians from eight Caricom states attending the re-opening of the Trinidad and Tobago Parliament. The refurbished Parliament, which was assaulted by bullets and explosives during the six-day siege, opened on Friday with a dedication and memorial ceremony. Rainford said the re-opening of the Parliament was a very important symbolic step.

"It's a re-commital of the Trinidadian people, and the Trinidad and Tobago Government, and all the elected sides of the house, to the principles of constitutional democracy.

"We see it not as a Trinidad and Tobago matter as a whole but something that is also reflective of a common shared value throughout all of Caricom," he told CANA.

Jamaat al Muslimeen Sues Government for Damages

FL2707180491 Bridgetown CANA in English
1649 GMT 27 Jul 91

[Text] Port-of-Spain, Trinidad, July 27, CANA—The Jamaat al Muslimeen, whose leadership is charged in connection with a coup attempt a year ago, has sued the Trinidad and Tobago Government for more than TT4 million dollars (one TT dollar = 23.5 U.S. cents). The Jamaat is claiming compensation for vehicles, personal property, and computers seized from its headquarters on the outskirts this capital city.

Leader of organisation, Yasin abu Bakr and 113 men are now facing charges including treason and murder arising from the coup attempt last July 27. Two separate motions were filed by the Jamaat in the registry of the high court in southern town of San Fernando. The attorney general and the commissioner of police have been named as co-respondents.

In one motion, the organisation is claiming damages for 24 motor vehicles and six motorbikes seized by the police between July 27—the start of the violent uprising—and August 15 last year. The second motion claims damages for loss in household items, personal belongings, clothing, and computers taken from the compound.

The Jamaat contends in its applications that the conduct of the government and its officers was "high handed and wholly improper." They are asking to court to not only order the government to give them market value for the goods, but must "punish (the) government by awarding punitive damages."

Secretariat Reports PRC Scientific Cooperation

PA2707005091 Mexico City NOTIMEX in Spanish 2338 GMT 24 Jul 91

[Text] Mexico City, 24 Jul (NOTIMEX)—The Foreign Relations Secretariat [SRE] has reported that an agreement on 25 cooperation projects was signed today in Beijing between Mexico and the PRC following the first meeting of the Joint Commission for Bilateral Technical and Scientific Cooperation.

The two-year agreement was signed by Renato Iturriaga, SRE director of scientific and technical cooperation, and Hui Yongzheng, vice president of PRC's State Science and Technology Commission. Mexican Ambassador to PRC Jorge Eduardo Navarrete served as witness.

Of the 25 projects within the program, 15 were presented by Mexico and 10 by the PRC. The projects encompass such diverse specialties as technical cooperation in hydroponics, fish processing, exploiting geothermal resources, and developing new materials.

The SRE explained that this program includes the use of traditional Chinese medical techniques in public health systems, the use of bamboo in urban settings, and the exchange of experiences in the food supply systems of large cities.

During this meeting, Mexico outlined six priority areas for scientific and technical cooperation, not only with the PRC, but with other countries.

Among the priorities are biotechnology, ecology, communications, microelectronics, and computer science, along with water resources, new materials, and, most important, fighting extreme poverty.

In addition to the projects approved, the Mexican delegation presented programs on home construction, oil and other energy sources, and mining—topics that are currently under study by the PRC that may be included in the program that was signed today.

Petroleum Sales Earn $3.6 Billion in 6 Months

PA2707032691 Mexico City NOTIMEX in Spanish 1725 GMT 23 Jul 91

[Report by Rocio Santana]

[Text] Mexico City, 23 Jul (NOTIMEX)—Mexico collected around $3.6 billion from petroleum exports during the first half of 1991, with daily sales of 1.363 million barrels of crude petroleum.

This figure was arrived at by a NOTIMEX analysis based on statistical reports on crude petroleum exports collected by Mexican Petroleum (Pemex).

Foreign currency collected during that period was lower by nearly $600 million than that estimated by the federal government, which estimated that earnings would be about $4.219 billion.

The instability of the world petroleum market lowered the price of Mexican crude after the end of the Persian Gulf war and this decreased the country's petroleum revenues.

However, this drop is minimal if we take into account that the federal government expected to collect $4.219 billion at an average price of $17 per barrel and exports of 1.36 million barrels per day.

Nevertheless, from 1 January to 30 June this year the price of petroleum of the Isthmus, Maya, and Olmeca varieties was $16.61 per barrel, only 39 cents under the estimated price.

This leads us to say that the actual price was close to the official estimate, and thus, the outlook for the second half of this year is expected to be favorable for reaching the goals set by the government.

Mexico hopes to collect $8.438 billion in petroleum exports during 1991.

Following is a list of monthly foreign currency collection:

Month	Foreign Currency Collected
January	$755,373,000
February	$511,081,000
March	$553,284,000
April	$585,442,000
May	$617,482,000
June	$565,675,000

El Salvador

Presidential Minister Says Cease-Fire Near

PA2607210691 San Salvador Radio Cadena YSU in Spanish 1859 GMT 23 Jul 91

[Text] Oscar Santamaria, presidential minister and head of the government's dialogue committee, asserted on 23 July: The government and the rebels are very close to a cease-fire.

During a news conference at the presidential building at noon today, Santamaria said that greater political willingness and a positive stand are required from the two sides. He also said that the arguments on the Armed Forces and cease-fire have already been discussed in full at the negotiating table. He condemned the recent kidnappings and said that the government will punish those who violate the law.

[Begin recording] [Santamaria] I hereby condemn these unjustified, inexcusable actions. Kidnapping is the worst experience that a human being can undergo because his fundamental rights are violated. There can be no military or political justification for kidnapping. The full weight of the law should fall on whoever perpetrates such a crime. The government has reported to the Salvadoran people its firm determination to investigate these crimes and to punish those found responsible. In addition, the government is appealing to the people to make a positive contribution to solving this type of problem by supporting the authorities in the investigation, reporting to them such violations whenever they occur, and providing every possible piece of evidence.

Kidnappings make no positive contributions to any solution and they affect us all. Uncertainty and fear are created, which only help to strengthen the enemies of peace. Therefore, we understand that it is necessary to create the proper climate for the process because, although these actions and stands work against us, they will not divert us from pushing for the government's objectives. Quite the contrary: This is a challenge for us to increase our efforts. Peace is necessary and we must make every possible effort so this process can yield fruit.

[Unidentified moderator] [Words indistinct] of SALPRESS.

[Unidentified reporter] Mr. Minister, Democratic Convergence and Christian Democratic leaders said last week that the far rightists are creating obstacles against the negotiation process. Does the government [words indistinct]?

[Santamaria] A number of groups, some of them not officially registered, have said that we should not continue with the process. These groups follow their own slogans in the sense that peace should not be attained and that they will do everything they can to prevent peace from being established. The government has responded by reporting that its policy on attaining peace in the country will not change and that the full weight of law will fall on everyone found guilty of criminal actions against the safety of persons and institutions. [end recording]

Santamaria also referred to the summit recently held in San Salvador, describing as very positive the Central American presidents' support for the peace process in El Salvador and the results of the recent Ibero-American summit in Guadalajara, Mexico, where 21 presidents participated and backed the peace initiative in El Salvador.

The presidential minister also said that the Salvadoran Government is very pleased with the arrival in the country of the UN Observers for El Salvador [ONUSAL], who will be officially installed on 26 July. Santamaria said that ONUSAL's arrival in El Salvador is an indication that things are moving in earnest and that there is every indication the Salvadoran conflict will end soon. The ONUSAL delegates will be officially installed on 26 July to verify compliance with the human rights accord signed in San Jose by government and Farabundo Marti National Liberation Front representatives on 26 July last year.

Ponce Optimistic on Talks

PA2907012691 San Salvador Radio Cadena YSU in Spanish 1800 GMT 27 Jul 91

[Report by Pelmore Parada]

[Text] General Rene Emilio Ponce, Armed Forces chief of staff, said on 26 July that a cease-fire could be signed and other agreements could be reached at the next meeting [between representatives of the government and of the Farabundo Marti National Liberation Front].

Gen. Ponce based his opinion on the results of the meeting of Central American presidents and the meeting of the Ibero-American chiefs of state, held in San Salvador and Guadalajara, respectively.

[Begin Ponce recording] We have high hopes for the results of the forthcoming meeting. Considering what was established at the 10th summit of Central American presidents and at the summit of the Ibero-American presidents, there is more than enough reason for all the Salvadoran people, all the sectors interested in peace, to hope that the forthcoming meeting will produce specific results, which could include the signing of a cease-fire agreement. [end recording]

With regard to the military aid that the U.S. Congress had been withholding but that now it will release, Ponce said that the Armed Forces are expecting this aid to arrive by September.

[Begin Ponce recording] This is how the dynamics of U.S. politics work. There are U.S. congressmen and senators who are in favor of giving military aid to El Salvador, and there are others opposed to giving this aid to El Salvador.

The Senate first approved an amendment proposed by Senator Dodd and later it approved a counterproposal that nullified the effect of the first. Anyway, the U.S. House of Representatives will discuss the issue of military aid to El Salvador in September. [end recording]

Ponce reiterated that the forthcoming dialogue could be more fruitful. In view of the current situation, and despite increased war activity in the country, the pacification process is making progress.

Cristiani Opposes FMLN Political Commission

PA2907010091 San Salvador DIARIO LATINO in Spanish 26 Jul 91 p 6

[Text] President Alfredo Cristiani said today that the government does not accept from any standpoint the installation of an FMLN [Farabundo Marti National Liberation Front] political commission as long as there is no cease-fire, since the contrary would violate the Constitution.

The president was questioned in Santa Ana as he left a mass held at the cathedral to close the month of July feasts. Also at the mass were Archbishop Msgr. Arturo Rivera y Damas and Auxiliary Bishop Msgr. Gregorio Rosa Chavez, but they declined to comment.

Cristiani's answer came at a time when the FMLN seeks to join the political arena. He added that instead of killing officers, attacking military positions, hurting civilians, or kidnapping people, the guerrillas should direct their efforts toward the negotiating table.

We have reports that Gregorio Zelaya and Guillermo Sol Bang, both members of the Nationalist Republican Alliance, are in the hands of the guerrillas. They are denying it because ONUSAL [United Nations Observers for El Salvador] is here and such an action constitutes a human rights violation, Cristiani remarked.

He noted that the installation of ONUSAL was positive, adding that now the commission [not further specified] will be afforded the opportunity to learn of FMLN human rights violations.

Commenting on those who oppose ONUSAL, he indicated that the government is ready to enforce agreements and counter those forces that try to hamper them. Cristiani insisted that the government is making efforts to rescue the hostages.

On the matter of the dialogue, the president stated that no date or place has been set for the next round.

ONUSAL Protocol Officially Signed

PA2807224591 San Salvador Canal Doce Television in Spanish 0300 GMT 26 Jul 91

[Report by Antonio Mineros]

[Text] The protocol for the installation of the office of the United Nations Observers for El Salvador (ONUSAL) was signed today at the Ministry of Foreign Affairs.

[Begin Iqbal Riza, chief of ONUSAL, recording] Tomorrow we will officially establish the ONUSAL mission. [end recording]

The document that makes the installation of the ONUSAL offices in our country official was signed on 25 July by Foreign Minister Jose Manuel Pacas Castro, in the presence of Iqbal Riza, who is in charge of the UN Human Rights Office in our country.

The document establishes the guarantees that El Salvador will grant ONUSAL personnel, as well as the degree of freedom they will enjoy.

[Begin Pacas recording] Iqbal Riza, as the ranking representative of the United Nations, with the rank of ambassador, will have the same privileges and immunities that any other ambassador enjoys in our country. Depending on the rank of each official, they will have the corresponding privileges and immunities according to international agreements. This document clearly establishes that the ONUSAL mission will be allowed to import and export goods, supplies, and equipment freely and that there will be liberty of movement for their personnel, equipment, and vehicles. They will have the right to freely interview any person, in private, anywhere in El Salvador; to receive communications of all types from individuals or groups; to organize meetings of any kind; to visit and investigate any establishment, freely and without prior notification, including detention centers, jails, and public and military security agencies; to collect information; to have access to the media; to make recommendations on compliance with the San Jose Agreements; to fly the UN flag; to display UN vehicle-registration plates; to sign agreements on the handling of correspondence; and basically [word indistinct]. [end recording]

On the threats made against him by the Salvadoran Anti-Communist Front in communiques published in several newspapers, Foreign Minister Manuel Pacas Castro has said that the matter is under investigation. He again stressed that the installation of the UN Human Rights Office in El Salvador is not considered interference in the internal affairs of our country.

Pacas Urges Cooperation

PA2707154091 San Salvador Canal Doce Television in Spanish 0300 GMT 24 Jul 91

[Excerpt] Foreign Minister Jose Manuel Pacas Castro made a call today to both extreme rightists and leftists to cooperate with the ONUSAL [United Nations Observers for El Salvador] office installed in our country; he asked them not to obstruct its peace mission in El Salvador.

The government official said the ONUSAL should not be seen as a foreign organization that meddles in our country's domestic affairs, let alone as an organization that violates our sovereignty.

The arrival of the ONUSAL mission has created expectations among the different sectors of society especially because of the various threats that have been made through clandestine communiques.

Foreign Minister Pacas Castro said the installation of ONUSAL in El Salvador should not be seen as a foreign interference in the country's domestic affairs or a violation of our sovereignty. The presence of the UN delegates is not an obstacle, he said. It should be seen in a positive light.

[Begin Pacas recording] We believe it is a positive effort so that peace can be attained in our country. We are currently trying to establish a reference framework for ONUSAL's activities. There is a concrete proposal made by the United Nations in this regard because this is an agreement that is reached through the exchange of letters. [end recording]

Such a proposal is being studied by the Foreign Ministry. Once a consensus has been reached on it, the reference framework for ONUSAL's activities in the country will be produced, the foreign minister said. He made a call to leftist and rightist groups to cooperate instead of obstruct the duties of this new organization. [passage omitted]

Ruben Zamora's Brother Reportedly Arrested

PA2607150891 San Salvador Radio Cadena YSU in Spanish 1710 GMT 25 Jul 91

[Report by Julio Ernesto Rodriguez]

[Text] A few minutes ago, Aronet Diaz de Zamora, deputy for the National Democratic Union, announced that police officers arrested the brother of Democratic Convergence Deputy Dr. Ruben Zamora Rivas. Ernesto Zamora Rivas, brother of deputy Ruben Zamora, and his wife Gloria Cataneda de Zamora were arrested this morning. The policemen also arrested Phillip (Pardi), a member of the International Rescue Brigades, who was taken in a police car to police headquarters.

Two policemen were reportedly driving the Zamora's vehicle, which followed the police car in which the detainees were taken to police headquarters. Let us listen to Aronet Diaz de Zamora:

[Begin Diaz recording] We denounce the arrest of Mr. Ernesto Zamora Rivas and his wife Gloria Castaneda de Zamora; the arrest took place at 0830 this morning near the Headquarters [Cuartel] Market as they were driving their white pickup truck. Since [words indistinct], they were being closely followed and chased by different members of the security forces and people dressed as civilians. We think that this arrest demonstrates that a witchhunt and campaign of persecution has been initiated in the country against several people who work with segments of the national population with little economic resources. [end recording]

It was reported that the brother of Deputy Ruben Zamora is deputy director of the Center for Professional Training, which develops social projects in several poor neighborhoods on the outskirts of San Salvador and in the interior of the country.

Dr. Aronet Diaz de Zamora also explained that they have made some calls to the national police but have been unable to get any information on the whereabouts of the arrested persons.

Released 26 Jul

PA2707005391 San Salvador Radio Cadena Horizonte in Spanish 1830 GMT 26 Jul 91

[Text] Ernesto Zamora was released at noon today as confirmed by Ruben Zamora by telephone a few minutes ago. During the telephone conversation, Ruben Zamora said that he did not have any more details but that he had received confirmation that his brother had been released.

Ruben Zamora also indicated that American citizen Philip (Bardy) was transferred from the National Police to the Finance Police. He is a member of the Peace Corps and will apparently be deported from our country.

For the time being, the charges against American citizen Philip (Bardy), Ernesto Zamora, and his wife, Gloria Casaneda de Zamora, are still not known. Gloria Casaneda de Zamora was freed yesterday as confirmed by the National Police this morning.

Ruben Zamora explained that his brother, Ernesto Zamora, is apparently in good health and was set free for still unknown reasons. However, he said that there could be more information with regard to this arrest forthcoming. Opposition leaders at the Legislative Assembly, among them Aronet Diaz, yesterday issued statements and said that the arrest was arbitrary.

For the time being, the National Police has refused to release any reports with regard to the possible charges for which these persons were arrested near the Cuartel Market yesterday.

Rebel Station Reports Attack on Fenastras Offices

PA2607184491 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0030 GMT 26 Jul 91

[Text] We have a last minute report by (Justo Sierra) on an attack on the new Fenastras [Salvadoran Workers National Union Federation] headquarters in San Salvador.

[Begin Sierra recording] A new attack occurred a few minutes ago in the city of San Salvador. This time the attack was against the new Fenastras headquarters. Initial reports indicate that the attack killed three civilians and wounded two. We repeat: The new Fenastras office was the target of a new attack tonight by infamous forces supported by the Armed Forces and Arena [Nationalist Republican Alliance]. Fenastras Secretary General (Juan Jose Hueso) reported a few minutes ago that the explosion opened a big hole in the wall of the Fenastras offices located near the Cuartel market, precisely where the police today arrested [Democratic Convergence leader] Ruben Zamora's brother, his wife, and a U.S. friend.

The Fenastras headquarters was rebuilt after it was the target of another attack on 11 October 1989, when the death squad forces of Roberto D'Aubuisson caused the death of 11 union leaders, including Febe Elizabeth Velasquez.

The FMLN [Farabundo Marti National Liberation Front] condemns this chain of attacks against the people's movement and the political opposition in the country. This campaign is covertly supported by Arena and the Armed Forces high command. This new action shows these sectors' resistance to progress in the peace negotiations. It comes precisely one day before the human rights verification mission, ONUSAL [UN Observers for El Salvador], undertakes on-site verification of those rights and the abuses against the Salvadorans' labor and political rights.

We repeat: A new attack on the Fenastras headquarters took place a few minutes ago, killing three civilians and wounding two. [end recording]

Ponce Urges FMLN To Define 'War or Peace'

PA2607173891 San Salvador LA PRENSA GRAFICA in Spanish 24 Jul 91 pp 2, 25

[Text] After making assurances that the Armed Forces are present throughout the country to defend the institutional system, Defense Minister General Rene Emilio Ponce demanded yesterday that the FMLN [Farabundo Marti National Liberation Front] define whether it is for war or peace.

Ponce read the annual report on Defense and Public Security to the Legislative Assembly. The document summarizes the Armed Forces' stand on the negotiations. It cites progress made in human rights and discloses the amount of military aid granted by the United States and the human and economic costs of the war.

After presenting his report, he answered the reporters' questions on the latest actions by the FMLN. He said that these violent actions are "evidence of the division within the FMLN."

"On the one hand," he added, "the FMLN leaders are speaking of pacification, and here their fighters are waging a campaign they have called "If the Armed Forces want our weapons, let them win the war."

Concerning the FMLN actions, he said that "the institution has a duty to fulfill. We are present throughout the country with our operations, defending the institutional system," he advised. He referred to the counterinsurgency activities carried out in Guazapa, in the area of San Nicolas Lempa in San Vicente, where the groups are using the homes as trenches and the residents as shields.

He said: "We were patient to wait and expell them without harming the population at all." He regretted the death of a 6-year old and the wounding of 11 civilians.

Regarding support of the negotiating process, the minister categorically pointed out that the government is engaged in dialogue, not out of weakness but because "this is the shortest and most rational path and it is the most humane method for finding peace." He pointed out that the government is going to continue with this effort, but it cannot be said that it is engaged in a peace process while simultaneously enduring the aggression and the war imposed by the FMLN.

In his report, Defense Minister General Rene Emilio Ponce charged that the FMLN continues to receive aid from the Soviet bloc through Cuba and some members of the Sandinist People's Army with which it maintains a formal alliance. He mentioned that Joaquin Villalobos attended the celebrations of the Sandinist National Liberation Front [FSLN] in Nicaragua. He said that he was not referring to the Nicaraguan Government.

Ponce also defined the Armed Forces' stand on the constitutional reforms that are pending ratification by the Legislative Assembly and that include the same agreements between the government and the FMLN. He recommended the reforms be ratified according to the progress made in the negotiations between the government and the FMLN.

Regarding how the Armed Forces measure "this progress," he answered: "On the specific events that take place during the negotiations." He warned that "as long as there is not a cease-fire, there is nothing specific here, just commitments that the FMLN does not comply with."

He said that in the Geneva and Caracas agreements, the FMLN committed itself before the United Nations and the government to demobilization and disarmament as a phase of the process. Today, the FMLN refuses to conduct a unilateral disarmament. Ponce feels the war is no longer justified. What the country demands, he said, is a cease-fire for which the government is prepared and which the FMLN fears.

In his speech, he expressed appreciation for the economic aid granted by the United States; he said that from June 1990 to May 1991 the United States has given $48 million in logistical support to maintain the institutionalism of the country and there is $21 million pending that has been unfrozen.

Concerning the human costs of the war, he said that from January 1981 to date, 37,907 have died, including 9,140 members of the Armed Forces, 23,480 members of the FMLN, and 5,287 civilians. The economic damage done by the FMLN includes 13,412 acts of sabotage: 7,800 against the CEL structures [Lempa River Hydroelectric Executive Commission]; 988 against the Antel [National Administration for Telecommunications] system; 288 against the Fenadesal [Salvadoran National Railroads] transportation system; 3,041 against the public land transportation; 147 terrorist actions against bridges, and 1,203 against private property.

Says Army Ready for Attacks

PA2907001191 San Salvador Canal Doce Television in Spanish 0300 GMT 26 Jul 91

[Report by Alfredo Villareal]

[Text] General Rene Emilio Ponce, minister of defense and public security, today strongly condemned the murder of Engineers' Military Detachment Captain Nestor Ariel Lang Romero, 29. The murder, which took place along one of the country's highways, constitutes a serious human rights violations, Gen. Ponce said, because Lang was out of uniform and could not fend off his assailants.

[Begin Ponce recording] The Salvadoran Armed Forces have a response to base and cowardly actions like that which took place yesterday. Their response consists of more efficient operations on the battlefield. In the face of its inability to confront us on the battlefield, the FMLN [Farabundo Marti National Liberation Front] resorts to such actions to try to break down the Armed Forces but it will not achieve this objective. Our institution is committed to seeking peace, the prevailing stance of this institution. Once again, I say these actions are to be condemned. Three children are now fatherless because of this vile action by the FMLN. [end recording]

Commenting on the rebel military actions taking place in Guazapa, north of San Salvador, the military chief said that they reflect a contradictory stance on the part of the FMLN, which claims to [word indistinct] peace. He added that the Army is ready in case of possible FMLN attacks on military positions.

[Begin Ponce recording] We have no definite confirmation of any actions in the urban area. As we said at the appropriate time, [words indistinct] in the paracentral and eastern zones. We recently received reports of attacks on military installations here in San Salvador. We are taking all the appropriate steps, and, in addition, are undertaking operations in the country's northern area. We are prepared to and will continue to fulfill the mission mandated by the Constitution. [end recording] Gen. Ponce and the Army's top command met with ONUSAL [United Nations Observers for El Salvador] delegates for 45 minutes in the Defense and Public Security building. They discussed topics concerning the work that the ONUSAL delegation will be carrying out within the next 90 days. ONUSAL is tasked with verifying the accords on human rights reached by the government and the FMLN.

FMLN Claims Responsibility for Killing Captain

PA2607210491 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 26 Jul 91

[Text] Urban cells of the National Army for Democracy imparted justice on 24 July against one of the assassins of hundreds of peasants in El Mozote and Sumpul. Captain Nestor Ariel Lang Romero was attacked and killed by urban cells of the Farabundo Marti National Liberation Front [FMLN] at 0600 on 24 July as he was traveling in his vehicle on the highway to the Comalapa airport. The officer was on leave from the Military Engineers' Detachment headquartered in Zacatecoluca. He belonged to Section Five of that detachment's intelligence. Our urban cells seized one M-16 rifle and important documents in the action against the captain.

It must be pointed that the captain was a former member of the Atlacatl Battalion. He was an accomplice in the death of hundreds of peasants in El Mozote, Morazan Department and in Sumpul, Chalatenango Department. In this way, the rifles of democracy impart justice against the assassins and massacrers of our people.

Rebels Assess Results of Recent FMLN Campaign

PA2907003491 San Salvador DIARIO LATINO in Spanish 26 Jul 91 p 6

[Text] On balance, the military campaign being waged by the FMLN [Farabundo Marti National Liberation Front] since 8 July shows that neither side has a chance of achieving a military victory, the Southeastern Front leaders have stated during a news conference held in the country's eastern region.

They noted that as of 23 July they listed 731 casualties inflicted on the Salvadoran Armed Forces and 27 casualties among their ranks. The rebels also reported that a large amount of military materiel was captured during incursions into more than 20 towns.

During the news conference, the FMLN rebels stated that they had achieved the goals of the campaign called "If the Armed Forces want our weapons, let them win them in the war," since they proved that no solution to the Salvadoran conflict is possible without considering the FMLN stance.

Raul, the military chief in the Southeastern Front, said that the FMLN could not be asked to lay down its weapons since the war reflects another reality. Instead, real and specific agreements must be sought to respect the demands of the two military forces that exist in the country. In addition, he noted that the rebels do not have an official stance concerning the kidnapping of [cotton grower] Gregoria Zelaya, although the matters is under investigation, and he pledged to provide information when he receives it.

On this matter, he indicated that this practice is nothing new and that the FMLN has information on some sectors, including the Armed Forces, which perpetrate kidnappings to obtain funds to continue the war.

Rebel leader Jeremias, another military leader in charge of this zone, said that all those who are on the war front give their full support to the efforts and initiatives of the Negotiation Commission and pointed to the progress the FMLN has made in establishing its political commitment, which is already working toward politically organizing its rural and urban forces.

To conclude, the rebel leaders noted their support for the work to be conducted by ONUSAL [United Nations Observer for El Salvador], since they consider it an important step forward in the defense of unprotected sectors, as well as an expression of the progress achieved at the negotiating table.

New Political Party Requests Registration

PA2607230591 San Salvador Canal Doce Television in Spanish 0318 GMT 20 Jul 91

[Passages within quotation marks are recorded]

[Text] Leaders of a new party in the process of being formed, the National Solidarity Movement [Movimiento de Solidaridad Nacional—MSN] filed a request for registration with the Central Electoral Council today. The movement's president, Edgardo Rodriguez Eigenhart, said that his new party does not have leftist or rightist inclinations, but that it will seek to solve the country's problems through the solidarity of all.

[Rodriguez] "A miracle on its way forward. This is our slogan."

The party's doctrine is based on solidarity to overcome economic, political, social, and ecological difficulties, Rodriguez said. All this will be accomplished by building a new nation.

[Rodriguez] "We will simply present to the Salvadoran people a new life, a new group of men who have never participated in politics until today, a group who represents a new alternative. We are not interested in a confrontation between leftists and rightists. We are seeking reconciliation among the various political forces. We seek and desire peace and liberty. We cannot side with either the left or the right. We are not against anything. We simply intend to study national problems and propose solutions we deem proper and adequate."

The new party's flag is red and white. In the foreground, there can be seen a white sun and a man with his arms outstretched.

[Rodriguez] "We want to speak of something new. This is why we are speaking of waging a new war, but we are not planning to wage war on anyone in particular. We will wage war on things that are wrong, not on people or institutions. This is why we say we will wage war amid peace. This is part of the meaning of our red and white flag."

Other members of the party leadership are Jose Heriberto Arballedo, Jorge Eduardo Alvarado, Rafael Rodriguez, Daniel Francisco Vega, and Rudy Francia Prado, all of whom share the belief that their political group will be supported by Salvadorans who favor peace, integration of the family, entrepreneurial development, and the completion of specific projects.

Guatemala

URNG Issues Communique on Peace Negotiations

PA2607230291 Guatemala City PRENSA LIBRE in Spanish 24 Jul 91 pp 21, 71

[Report on "communique" issued by URNG in Queretaro, Mexico; date not given—quotations as published]

[Text] The URNG [Guatemalan National Revolutionary Unity] reiterates its good will to contribute toward this goal [peace]. Meanwhile, we believe that the second point of this meeting's agenda—the human rights situation in the country—is not only a key issue but also a critically pressing issue.

Our nation is currently experiencing a situation in which human rights violations—particularly the right to life and other individual rights—have generated widespread fear and insecurity within the community and are a matter of great concern to the international community.

Meanwhile, with alarming concern, we cannot ignore the increased attacks against human rights and increased repression against the civilian population in the countryside, violations that the United Nations and other humanitarian institutions have taken into account in the past," adds the URNG report.

The URNG communique continues: "It is obvious that the progress toward democratization in the country and the search for a true and lasting peace are not possible if repressive forces remain out of control and acting with total impunity. The motives that triggered the armed conflict have therefore not been eliminated.

In Guatemala, more than ever before, there is a general outcry appealing for urgent measures to halt the repression, the terror, and the human rights violations. Numerous sectors in Guatemala anxiously await the results of the URNG-government dialogue on human rights, as they believe that the same can become a positive politically oriented factor, besides being the principal point that will make democratization, as well as true and lasting peace, a reality in our nation.

The General Command of the URNG participates [in this dialogue]—conscious of the significant implications of this encounter—and indicates its dedicated willingness to achieve constructive results. We would like to state for the record our recognition of Monsignor Rodolfo Quezada Toruno for his eagerness and interest in his task as conciliator.

We would also like to express our praise for the undertaking of Dr. Francesc Vendrell as [UN] observer. Likewise, we state our gratitude to the National Reconciliation Commission for participating and contributing toward this process."

The URNG communique concludes: "We very highly regard the support and hospitality granted by the Mexican authorities, government, and community for this

event's success, and in general, for the contribution it [Mexico] has made toward this dialogue and negotiations for Guatemala's democratization."

'Text' of Agreement

PA2807143991 Guatemala City PRENSA LIBRE in Spanish 26 Jul 91 p 4

["Text" of agreement signed by the Guatemalan Government and the Guatemalan National Revolutionary Unity, URNG, in Queretaro, Mexico, on 25 July]

[Text] In order to attain the objectives outlined in the Esquipulas II Agreement of 7 August 1987, and in line with the Oslo Agreement of 30 March 1990, the delegations of the Government of the Republic of Guatemala and the URNG, having continued the negotiations under the mediation of Msgr. Rodolfo Quezada Toruno, chairman of the National Reconciliation Commission, CNR, by virtue of the Oslo Agreement, with the participation of CNR and under the observation of Dr. Francesc Vendrell, representative of the UN secretary general, and making known through this means the agreements that have been reached on the topic of "Democratization" established in the agreement on the general agenda approved in Mexico City on 26 April 1991,

Whereas:

1. The political forces and the various sectors of Guatemalan society have expressed themselves in favor of the attainment of peace, democracy, and social justice.

2. The Government of the Republic of Guatemala and the URNG have agreed to undertake a process of negotiations that has the final objective of seeking peace through political means, the improvement of functional and participatory democracy, and the laying of the foundations for the consolidation of development and progress in the country to guarantee democratic coexistence and the attainment of the common good.

3. The consideration of the topic of democratization permits the building of a general framework to coherently deal with the other topics included in the negotiating process.

4. Guatemala requires measures to guarantee the development of democratization at the political, economimc, social, and cultural levels.

The Government of the Republic of Guatemala acknowledges its responsibility to implement measures that respond to the people's interests and that will guarantee the country's democratization.

5. The procedures and agreements resulting from the discussion of the general agenda approved in Mexico are fundamental to the process to improve functional and participatory democracy. Therefore, the mediator must inform the Guatemalan people about their content in an objective and fair manner.

6. The political agreements reached by the Government of the Republic of Guatemala and the URNG must reflect the legitimate aspirations of all Guatemalans and lead to institutional measures and to the proposal of constitutional reforms in Congress, within the framework and spirit of the Guatemalan Constitution and the Oslo, El Escorial, and Mexico Agreements.

Therefore, the Government of the Republic of Guatemala and the URNG,

Agree:

I. That the strengthening of functional and participatory democracy requires:

a. The preeminence of civilian society.

b. The development of a democratic institutional life.

c. The effective functioning of a state of law.

d. The elimination once and for all of political repression, electoral imposition and fraud, military coups and pressures, and undemocratic destabilizing actions.

e. Strict respect for human rights. The mediator should make them known in order to have them adequately understood.

f. The subordination of the Armed Forces' role to civilian power.

g. The recognition and respect for the identity and rights of Indian peoples.

h. All Guatemalans' access to and enjoyment of the benefits of the national production and natural resources, based on the principles of social justice.

i. The effective resettlement of people uprooted by the armed domestic confrontation.

II. That democratization requires the need to guarantee and promote the direct and indirect participation of civilian society in general in drafting, implementing, and evaluating the government policies at the various administrative levels; and recognizing the right of every social group in the nation to development with just and fair work relations, with their own cultural and organizational forms, and with full respect for human rights and the law.

III. That this agreement must be widely made known to the Guatemalan people and in particular to the sectors that participated in the meetings held in fulfillment of the Oslo Agreement and the National Dialogue. The mediator must make this agreement known so that it can be adequately understood.

IV. This agreement will be included in and form part of an Agreement for a Lasting and Firm Peace. It will serve as a framework to address the other topics under negotiation, with the peculiarities and characteristics of each topic.

Queretaro, Mexico, 25 July 1991

Serrano Calls Panama Integration 'Very Important'

PA2807230991 Panama City ACAN in Spanish 2035 GMT 27 Jul 91

[Text] Guatemala City, 27 Jul (ACAN-EFE)—Guatemalan President Jorge Serrano stated today that Panama's integration into Central America is "very important" because it will strengthen it and especially because the region will then have Panama's interoceanic canal in its care.

"Panama's decision to enter the Central American integration process will strengthen us further and increase the regional market, and the region will especially benefit because the canal, which is one of the most important assets in the world, will virtually be in its care," Serrano stressed.

"I believe the Panamanian decision will strengthen the Central American economic integration process very much and will give us considerable importance internationally and in world politics," Serrano pointed out to the press.

The Guatemalan president said that when Panama, Costa Rica, and Nicaragua join the Central American Parliament, it will not only strengthen the region but also its economy and regional talks.

"We recouped virtually everything that had been achieved in the 22 years prior to the conflict between El Salvador and Honduras at the Salvadoran summit on 17 July and we can say that the integration process is reestablishing structures that were beginning to crumble," Serrano added.

Another important decision by the presidents of the region was on a reduction in duties, which "will oblige our systems to be more competitive and also favor a decrease in the cost of living."

Among the treaties signed that will favor El Salvador and Guatemala, President Serrano mentioned the commercial free zone that will "help both countries' economies as they will have approximately 80 percent of the Central American market."

This agreement will also ensure a market for Guatemala's agricultural produce and strengthen its industry, the president said at an informal meeting with the press.

Officials View Castro Stand on Peace Process

PA2607165391 Mexico City NOTIMEX in Spanish 2243 GMT 25 Jul 91

[Text] Guatemala City, 25 Jul (NOTIMEX)—Guatemalan Foreign Minister Alvaro Arzu has told NOTIMEX that Fidel Castro "ratified" his determination not to interfere in Guatemala and expressed his support for the Guatemalan peace process during his meeting with President Jorge Serrano Elias.

The Cuban and Guatemalan presidents met in the Mexican city of Guadalajara during the first Ibero-American Summit, which was attended by 23 heads of state and government from Latin America, Spain, and Portugal.

Arzu said that Castro asserted that he favored the peace process that the Guatemalan Government and the Guatemalan National Revolutionary Unity (URNG) have carried out since April 1991 to end 30 years of armed conflict. He added that Serrano Elias told Fidel how the peace negotiations are being carried out and said that he did not want any country to interfere in the process. President Serrano Elias said: "I spoke with Fidel Castro about stopping the aggression against Guatemala and getting his hands out of this area of conflict, something that has happened before."

The president reaffirmed what he had said in his Ibero-American Summit speech: "Some have given the money, others the ideas, and still others the weapons. We are the only ones who have given lives in this conflict. I do not understand why this situation must continue." He added that he did not care who he had to talk to in order to end the internal strife and attain peace in Guatemala.

More than 175,000 people have died during the three decades of armed conflict in Guatemala, and there are now at least 200,000 orphans and more than 100,000 widows.

The president said he was pleased with the Government-URNG talks. The parties signed an agreement in Queretaro, Mexico today on the matter of democracy—the first of the 11 points on the agenda agreed on in April.

Nicaragua

Government Forces 'Control' Situation in Quilali

PA2607142291 Managua Radio Sandino in Spanish 1250 GMT 26 Jul 91

[Text] Deputy Government Minister Jose Pallais yesterday confirmed that 150 soldiers and policemen were in control of the situation provoked by the recontras, headed by "The Indomitable," who yesterday killed two policemen. Two of the recontras—one of them being the leader known as "El Coran"—were also killed in the attack.

[Begin Pallais recording] The Quilali garrison was attacked by a group of 60 to 80 armed men headed by "El Indomable." The attack, which lasted approximately six hours, ended at 1000 today. We regret the loss of two policemen, Juan Antonio Berguido of Esteli and Edgardo Benavides of Somoto. Four other policemen were slightly wounded, and two more were seriously wounded. After the attack was over, six bodies, presumably of the attackers, were found but have not yet been identified. On pulling out from Quilali, the recontras took with them [words indistinct] and eight wounded. "El Indomable" withdrew when police reinforcements arrived in the town. EPS [Sandinist People's Army] reinforcements were also requested; they arrived with the police approximately at the same time. [end recording]

Police Find Two Bodies

PA2807232691 Managua LA PRENSA in Spanish 26 Jul 91 pp 1, 12

[Report by Maria E. Palacios and Roger Suarez]

[Excerpt] Deputy Government Minister Jose Pallais reported today that National Police reinforcement troops have found two bodies, presumably belonging to members of the rearmed group headed by "El Indomable," which attacked the Quilali Police Precinct yesterday morning.

During a news conference, Pallais stated that the two bodies have not been identified and guessed that the assailants withdrew, taking with them six or seven wounded members of the group.

The rearmed men attacked the police precinct at 0400 on 25 July. The ensuing intense fighting lasted six hours. As a result, two policemen were killed and six were wounded, two of them seriously.

The dead policemen were Ivan Antonio Rodriguez, from Esteli, and Edgardo Benavides, from Somoto. Their bodies will be transferred to their hometowns.

It was reported that the rearmed group, comprised of 80 men, attacked the police precinct with RPG-7 and light antitank rocket launchers and knocked down its communications antenna.

Pallais stated that a day before the attack, "El Indomable," "Dimas" [Marcos Orlando Navarro], and other leaders of the dissident group met with members of the CIAV-OAS [International Support and Verification Commission-Organization of America States] in Jinotega.

At that meeting, which "El Indomable" did not attend because he was leading the attack, the CIAV-OAS was going to advise that rearmed groups cannot receive the protection of verification organs, and that if they did not abandon their plans the CIAV-OAS would have to announce its withdrawal from the area.

The official added that the Government Ministry had already sent police reinforcements to cover the area and that the presence of reinforcements would serve to enforce disarmament and searches in the town of Quilali and nearby villages.

He also stated that 150 police and army personnel are moving to that zone to pursue "El Indomable" and his group and capture them "in case they resist the order to surrender. Once they are found, we will have to take the logical steps," he remarked.

When asked if his government knows why this group decided to rearm itself and carry out military actions, Pallais replied that "Dimas" has not "clearly expressed his views, but his chief concern is that his men feel their personal safety is imperiled by the presence of a large number of armed civilians."

The deputy minister felt that there may be as many as 350 armed men, headed by "Dimas" and "El Indomable," whose area of operation covers El Cua, Bocay, Bocaycito, Wiwili, San Rafel, and Yali.

Responding to a reporter's question as to whether the actions by the rearmed groups could be considered a resumption of the war, Pallai replied that this "is an exception, since whenever a war ends, people who do not adjust to civilian life commit such actions as these." [passage omitted]

Sandinists Condemn Attack

PA2807131691 Managua BARRICADA in Spanish 27 Jul 91 p 10

["Text" of communique issued by the Sandinist National Liberation Front, FSLN, in Managua on 25 July]

[Text] Nicaraguan brothers:

The FSLN expresses its most vigorous rejection and condemnation of the criminal attack that the so-called recontras, lead by a leader known as El Indomable, carried out early this morning against the Quilali police, killing at least two policemen.

This attack is the continuation of a terrorist campaign against legitimately established institutions and Sandinist activists who are the target of a selective extermination plan in various rural areas. In the past few weeks, these groups have attacked Quilali, Pantasma, and Wiwili; they have have killed Government Ministry officials, retired EPS [Sandinist People's Army] members, and Sandinist activists.

There is no political justification for these crimes. Those responsible for them are nothing but dangerous criminals who threaten the country's peace, which all Nicaraguans have been building with much sacrifice and desire for reconciliation.

The FSLN recognizes the constructive role on behalf of definitive peace that countless leaders and combatants of the former Nicaraguan Resistance have been playing. We are sure that in their great majority they condemn these actions, which can move us dangerously close to a new situation of war.

However, the criminals have accomplices who share their political and moral responsibility for their actions. They are the extremists of UNO [National Opposition Union], those who preach hatred and the destruction of Sandinism, those who sabotage the policy of national reconciliation, and those who seek to ignore the country's constitution and destabilize the country. They are the ones from the National Assembly who want to wrest away from the people their land, houses, lots, and even the memory of their dead.

The FSLN has struggled and will continue to unceasingly struggle so that the bloody specter of war will be definitively eradicated from our fatherland. However, we

cannot remain impassive in the face of the systematic murder of Sandinists in some rural areas.

The government has the responsibility and the legal and moral duty to guarantee the security of all Nicaraguans, regardless of their political preferences. That responsibility is not being duly fulfilled and the government institutions' passiveness in the face of these events has only encouraged the criminals, making them feel like they can act with impunity.

The FSLN demands vigorous and definitive action from the government authorities to stop these criminal actions and to restore security and peace to the peasants and residents of Jinotega, Nueva Segovia, and other areas of the country. We call on all political, labor, religious, and other sectors of the nation to condemn these attacks against peace and human rights. Silence in the face of these grave actions can only be interpreted as complicity.

Free fatherland or death.

FSLN National Directorate

Issued in the city of Managua on 25 July 1991

Clashes Between EPS, Recontras Reported

PA2607194891 Managua Radio Catolica in Spanish 1130 GMT 26 Jul 91

[Report by Gerardo Sanchez]

[Text] Following almost two hours of fighting with rifles and artillery, the recontras broke the EPS's military siege near (Barroteo) Municipality, approximately seven kilometers north of Quilali, and occupied the town for several hours on 25 July. During the clash, three policemen were killed and at least five others were wounded by the EPS. The recontras reported two deaths but failed to report how many from their ranks were wounded. The rebel action was directed by Commander [name indistinct]. Meanwhile, other armed incidents were reported in San Juan de Rio Coco, and a military vehicle was ambushed in El Jicaro. We have no details regarding the latter incident.

On 25 July special police troops occupied the Jinotega police plaza with three military vehicles from Managua. These vehicles, which recently arrived from Spain, were transporting at least 60 troops. On the road to northern Jinotega we could see EPS military movements. According to peasants from northern Matagalpa, rebel groups have been seen moving toward Chontales under the leadership of rebel leader Rojito. On 24 July Hacienda Santa Teresa, located 6 km north of (Las Brumas), [words indistinct] armed with machetes and small arms, and supported by the ATC [Farm Workers Association]. Radio Catolica was informed of this by Carlos Alfedo Gutierrez, a member of the resistance directorate.

Had it not been for the intervention of the CIAV [International Commission of Support and Verification]-OAS, as well as that of Cardinal Miguel Obando's follow-up commission, this conflict could have had serious consequences.

According to sources in Rio Coco, EPS forces have occupied the Coco and Poteca Rivers and they are sending weapons of various calibers on canoes to the Honduran Cinchonero guerrillas. They have occupied the northeastern part of El Coco on the border with the neighboring Honduras. Our sources, who requested anonymity out of fear of reprisals, said that the weapons and war materiel are sent from the EPS base in Las Cuchillas, approximately 35 km north of Jinotega, which has underground fortifications and minefields.

Meanwhile, Commander Bayardo from the Enrique [name indistinct] Brigade of the self-styled Democratic Forces for National Salvation, claimed responsibility for the actions perpetrated by a group of five men on 21 July at the Centroamerica power plant. The recontras are maintaining their demands for the disarmament of civilians and the Sandinist rank and file, the removal of General Ortega from the EPS's leadership, security, top guarantees, and the establishment of a broad democratic process. This incident came one day after the 20 July date established for the dialogue by recontra leader Commander Dimas, and it was reported within the country and abroad. So far the military authorities have not issued an official report on the incident.

Panama

Possible Renegotiation of U.S. Bases Viewed

Endara on Rumors

PA2607230891 Panama City Circuito RPC Television in Spanish 1730 GMT 26 Jul 91

[Text] In view of current rumors concerning the possibility that some government officials might be negotiating for the U.S. military bases to remain in Panama, President Guillermo Endara has stated that while he is president, those negotiations will not take place.

[Begin recording] [Endara] The only person with the authority to direct the country's international affairs is the president of the Republic. The president of the Republic until 1 September 1994, Guillermo Endara Galimany, will not renegotiate or sit at any table to renegotiate either the United States continuing the canal operation or the presence of the U.S. bases, under any circumstance.

If the Panamanian people want the bases and the canal treaty to be renegotiated, they must elect, in 1994, a president who says he will do that. Guillermo Endara Galimany will not do that because such is the will of the executive branch and it is not going to change.

[Reporter] What will happen to the employees who are slated to be fired?

[Endara] I must first say that I regret their situation, but it is something that they have clearly seen coming since 1977 when the treaties were signed and ratified by plebiscite. It was already coming. Let us see what we can do for them. It is a problem. We cannot deny it is a problem, but it is a problem that should be resolved. [end recording]

Linares Letter To Hinton

PA2907033391 Panama City LA ESTRELLA DE PANAMA in Spanish 27 Jul 91 pp 1, A-2

[Letter from Foreign Minister Julio Linares to U.S. Ambassador Deane Hinton—dated 26 July]

[Text] 26 July 1991

Mr. Ambassador:

This Foreign Ministry has been advised that Project S-1435 was presented at a plenary meeting of the U.S. Senate yesterday and that it was approved. This project expresses the position of the U.S. Congress in favor of the U.S. President negotiating with the Panamanian Government a new agreement that would allow the presence, on a permanent basis, of U.S. military forces within our territory beyond 31 December 1999. According to that project, the U.S. Congress must be consulted while negotiations for the new agreement are under way.

His Excellency President Guillermo Endara Galimany recently explained at the summit of the Ibero-American chiefs of state and government held in Guadalajara, Mexico, a position that the Panamanian Foreign Ministry considers pertinent to reiterate to Your Excellency—that the Republic of Panama does not consider it appropriate to negotiate, during the current Panamanian presidential term, a new agreement that would allow the military forces of the United States to stay in our territory beyond 31 December 1999. Therefore, any attempt by the U.S. Congress to compel Panama to negotiate the agreement, in addition to violating the right of all states, based on International Law, to sanction or not to sanction a treaty, would cause the good relations that should exist between our two countries to deteriorate and would undermine the trust that Latin America has placed in the government of Your Excellency.

The contractual relations that link states must always be based on willing consent. The Foreign Ministry of Panama views with concern how on the eve of the 21st Century there are still parliamentarians who do not see it this way, despite the painful experiences they have been endured because of the imposition on Panama of the unfortunate Hay-Bunau Varilla Treaty of 18 November 1903.

I am sending this note to Your Excellency so that there is no doubt about my government's position on the issue of the U.S. military presence in our territory beyond 31 December 1999.

I am taking advantage of this opportunity to reiterate to Your Excellency my highest consideration.

Julio E. Linares, Foreign Minister

PDC Communique on Deputies

PA2907040191 Panama City EL PANAMA AMERICA in Spanish 28 Jul 91 p 1-A

[Communique issued by Legislator Carlos Arellano Lennox, coordinator of the Christian Democratic Party (PDC) bloc in the Legislative Assembly—date not given]

[Text] In view of statements by a group of deputies who are visiting the United States on their own initiative, the Christian Democratic Party [PDC] parliamentary bloc states the following:

1. The aforementioned trip is not an official trip of the Legislative Assembly because it involves only progovernment deputies. Therefore, it does not include all the parties represented in parliament as required by our laws covering such missions. Besides, even if those deputies represented the will of their parties and blocs, which they do not, they would represent a minority in the parliament. None of the PDC deputies went on the trip and the PDC, with its 28 deputies, is the majority bloc in the parliament.

2. The position adopted by the traveling deputies, all members of government parties, cannot be considered the Legislative Assembly's official stance, because this mission was not prompted by a debate in plenary sessions or, much less, a decision of the parliament.

3. The PDC deputies reiterate our party's stance that topics that are so sensitive for our nation, such as those that concern our canal and the American presence in Panama, must be decided by a great national debate. Such a debate should be conducted by those who have the constitutional authority to do so and convey the will of the people. We also protest the delay by the executive branch in fulfilling this duty and reiterate our call for all political and social forces to set aside differences and transient conflicts at this time to discuss these topics.

4. This undiscussed and desperate action by the traveling deputies shows the lack of leadership in the executive branch. It is also a clear symptom of the lack of an official policy to guarantee the transfer of the canal to Panamanian hands, the exploitation of the reverted goods and those yet to be reverted, and compensation for income the national economy will stop receiving following the end of the American presence in our country.

5. The PDC parliamentary bloc reiterates to the country and the international community that it will defend the complete transfer of the canal to Panamanian hands and the honoring of international commitments. It will also advocate, through constitutional mechanisms, that our main resource be used for national welfare and development.

Colon Free Zone Strike Continues; Arrests Made

Chiriqui Drivers Join Strike

PA2407232791 David HOY in Spanish 23 Jul 91 p 4

[Report by Viodelda Barrias]

[Text] After a peaceful protest through the main streets of David, Chiriqui, the Chiriqui Truck-Drivers' Union declared a 24-hour strike in support of the Colon Transport Drivers Union, and demanded the repeal of Resolution 20-91.

"There are thousands of people who depend on the transportation of goods and according to Resolution 20-91 (which allows Free Zone businessmen to use their own means of transportation) we will be displaced," Camilo Franceschi, president of the Chiriqui Transport Drivers, said.

He also indicated that Resolution 20-91 is nothing more than the "confrontation of personal interests to make the poor poorer and the rich richer." Besides, the government has not given the people's social aspects the proper importance. This is why nationwide transportation, which is a "monster," is beginning to wake up to defend its interests.

The transport drivers, who posted themselves along the Pan-American Highway, said that if a high-level negotiating commission is not appointed to solve the problem, they will be forced to take "other steps."

Julio Fonseca, a member of the highland drivers, said that his group fully supports the measures taken by the cargo transporters, and that if a solution is not found soon they will halt the movement of produce grown in the highlands. Jose Domingo Santamaria, the acting president of the Federation of Transport Cooperatives of Panama [Federacion de Cooperativas the Transportes de Panama], and the general secretary of the Federation of Industrial Transportation Workers [Federacion Industrial de Trabajadores del Transporte], also expressed their support for the transport drivers of Chiriqui and Colon.

Luis Alberto Rios, the legal representative of the Chiriqui Drivers Union (SICOCHI) [Sindicato the Conductores de Chiriqui], said that the "democratic government" is seeking to measure its strength against the truck drivers and tomorrow it will do so with the public and selective transport drivers in order to pass a nefarious transportation bill.

Each of the transport sectors told HOY that if the authorities do not reconsider, then they will move to paralyze transportation throughout the country.

Transporters Cautioned

PA2707025591 Panama City EL PANAMA AMERICA in Spanish 26 Jul 91 p 1

[Report by Eduardo Soto and Ivonne Bruneau]

[Text] The Cabinet has appointed a ministers' commission to find a solution to the Colon Free Zone conflict, and Dionisio DeGracia, director of the Land Transportation Office of the Government and Justice Ministry, has cautioned the cargo carriers who have threatened a nationwide boycott that if they carry out such a plan, their operating licenses may be canceled.

DeGracia told the local media that any driver backing the strike that was called for today in support of the Colon truck drivers will be subject to laws that were passed in 1965 that allow the state to use operating licenses for such pressure.

If the transport sector's rank and file backs the strike, it will go into effect at noon today, following a meeting with the Panamanian Central Organization of Transportation Workers to discuss the issue. The strike will end early tomorrow morning and will be resumed on Monday for an indefinite period if no solution has been found to the conflict in Colon.

Vice President Guillermo Ford said yesterday that the situation in Colon must be resolved in a way that does not take advantage of any of the participants in the conflict.

Ford said that the national government has no intention of leaving the Colon carriers without resources.

A commission consisting of state ministers connected to the country's economy, including Minister of Commerce and Industries Roberto Alfaro and Agricultural Development Minister Ezequiel Rodriguez, must today present to the rest of the Cabinet an analysis on the Colon situation.

Late yesterday evening it was reported that warrants for the arrest of some transport leaders who have kept the Free Zone paralyzed are still in effect. It has been reported that more than 100 million balboas has been lost in Colon as a result of the situation that has emerged.

The main leaders of the carriers' movement, Hilario Urriola and Juan Santamaria, have told EL PANAMA AMERICA that if the arrest warrants are served, they will go on a hunger strike.

Meanwhile, the Front of Christian Democratic Workers has issued a communique stating its support for the Free Zone carriers who, according to the political group, are struggling against "the new dictatorship imposed" by the Free Zone's management.

It was reported late yesterday that Free Zone Manager Ford Lara has proposed that the carriers stop their boycott in exchange for a provisional suspension of Resolution 20-91.

Transporters Arrested

PA2607224091 Panama City CRITICA LIBRE in Spanish 26 Jul 91 pp 1, 17

[Text] Attorney General Rogelio Cruz has announced that the district attorney of Colon has ordered the arrest of 34 cargo carriers.

The attorney general clearly warned that anyone joining the national strike scheduled for today by the carriers' leadership will be penalized.

As of last night, the Colon transport boycott that is negatively affecting the Free Zone and, therefore, Port Cristobal, has produced loses amounting to 150 million balboas. The talks are described as "stagnant."

The deadline of the Panamanian Central Organization of Transportation Workers [CPTT] for the government to initiate a direct dialogue with the carriers ends today. If the dialogue does not take place, the carriers will begin a nationwide boycott.

The president of the Panamanian Chamber of Commerce, Industries, and Agriculture, Ricardo Aleman, has stated his concern about the lack of solutions for the boycott and noted that the problem still exists because there has been a lack of "political will" to impose order.

The People's Human Rights Commission has stated that the Colon transport crisis is the result of inadequate "and evidently untimely measures that are inhuman because of their negative repercussions."

Commerce and Industries Minister Roberto Alfaro has affirmed that the government will enforce compliance with the law and the Constitution and that he hopes that the carriers' problem will be satisfactorily resolved within the next few hours. The official made this statement at the inauguration of the new Board of Directors of the Association of Colon Free Zone Users.

Wellington Fung, the new director of this association, has said that the Free Zone is the main source of employment of Colon Province and one of the most important in the country. Referring to the transport problem, Fung indicated that the government must enforce respect for the law and the Constitution.

Fung said that he agrees that dialogue is the only way to resolve the carriers' conflict. The future of the Free Zone is at stake, he said. Either we back the legal structure or contribute to the deterioration and ultimate disappearance of the main source of income for the people of Colon, Fung noted.

Fung added that there are free zones in other countries that would like to see our's go out of business so that they can attract businessmen who would otherwise be installed in Panama.

Finally, Fung asked the government to transfer the Port Authority to Colon Province, where it was in the past.

Officials on Arrests

PA2707162791 Panama City CRITICA LIBRE in Spanish 27 Jul 91 pp 1, 19

[Article by Florencio Galvez F.]

[Text] Attorney General Rogelio Cruz Rios reiterated yesterday that the arrest warrants against 39 freight carriers from Colon remain in force. Freight carriers in Colon have been on strike for the past nine days.

Cruz expressed surprise over statements made by President Guillermo Endara Galimany and Father Carlos Maria Ariz, bishop of Colon. President Endara said yesterday that he offered "guarantees of the suspension of arrest warrants against 39 prominent freight carriers, whose supporters have paralyzed commercial activities in the Colon Free Zone." Bishop Ariz called on people to "create a climate appropriate for dialogue and avoid the use of violence."

The attorney general supported Agapito Guerrero, second district attorney of Colon, by saying that the arrest warrants are legal. "I believe there has been a misunderstanding, but I wish to state clearly that neither the Catholic Church nor President Endara, nor any force outside the Attorney General's Office can change that decision," Cruz reiterated. The arrest warrants "can only be reversed by means of requests filed by the attorneys of those named in District Attorney General Guerrero's charges or by other appeals represented to the correspondent courts," the attorney general said.

Cruz said similar measures might be taken against leaders of transportation sectors in Panama City who plan to paralyze public transportation beginning on Monday if government representatives fail to give specific replies to their demands. "A nationwide strike would be illegal," because it is a crime to make public services unavailable to users, the attorney general said.

The striking transporters, who are demanding exclusive rights to haul freight and transport passengers in the Free Zone, had said that the arrest of their leaders made dialogue between the two parties impossible.

Meanwhile, Ricardo Arias Calderon, president of the opposition Christian Democratic Party, said that the "executive should intervene directly to promote talks at the highest level between the two parties in order to resolve the situation existing in the Colon Free Zone." Arias Calderon called for the finding of a "path that permits the Colon Free Zone to be reactivated," and called for prevention of "an extension of the strike outside the area." He said when a problem so seriously affects the common welfare, it is not possible for the government to play the role of spectator." [quotation marks as published]

National Strike Announced

PA2707161391 Panama City LA PRENSA in Spanish 27 Jul 91 p 1

[Text] National Transportation leaders have announced that as of midnight Sunday the sector will begin a 24-hour strike if the Guillermo Endara administration does not respond satisfactorily to the Colon Free Zone problems. These problems have resulted in the loss of millions of balboas and the immobilization of thousands of containers.

The carriers began their strike following their meeting with representatives of the Panamanian Central Organization of Transportation Workers, the National Federation of Transportation Cooperatives, the National Federation of Taxi Drivers [Fenacota], the Transportation Federation of Chiriqui, and the Colon-Panama Collective Transportation Federation.

Fenacota Secretary General Franz Wever has stated that the government is being urged to derogate Resolution 20-91, which authorizes the Free Zone users to have their own transportation means. Wever said this resolution is what triggered the conflict that began in Colon and that has spread from border to border.

The carriers are asking that a permanent commission with decision-making powers be appointed to handle all the matters related to national transportation.

Wever affirmed that the carriers do not want to inconvenience the community or threaten the government with a general strike; he said they are implementing this measure to attract the country's attention to what is happening.

Meanwhile, Government and Justice Minister Juan Chevalier has said he will respect whatever decision the two sides in the conflict—the Association of Free Zone Users and the carriers—adopt. The users and the carriers are now negotiating on possible ways to resolve the problem, including the rejection of Resolution 20-91.

Chevalier said that in order to promote the talks, the government has invited the Association of Free Zone Users and the carriers to a meeting at which the government would state its position, but the carriers have rejected the invitation.

The users have presented a proposal calling for the suspension of Resolution 20-91 and of permit-issuing plans so that neither the carriers nor the users may obtain new permits to load merchandise. The users are also demanding the lifting of the boycott and the creation of a commission charged with negotiating the modus operandi of the Free Zone's transportation sector.

Meanwhile, President Guillermo Endara has reported that he asked Attorney General Rogelio Cruz to suspend the warrants for the arrest of Colon transportation leaders while the negotiations to find a solution to the conflict continue. Endara explained that he made that request because arrest warrants during negotiations are not constructive.

Millions have been lost as a result of the Colon Free Zone transportation boycott, and Panama's international image as a country suitable for foreign investments has deteriorated. In Port Cristobal and in Bahia Las Minas there are approximately 3,000 containers loaded with goods such as food, medicine, clothes, and electronic equipment that have not been delivered because of the strike. Some businessmen have said that this situation could leave local businesses without supplies.

Victor Lewis, first vice president of the Association of Free Zone users, has explained that he and other businessmen have met with representatives of the executive branch. He said they were told that they can count on the support of the national government in the search for an agreement with the carriers that would be supported by the government. Lewis said that some of the representatives of the executive branch with whom he met are Minister of the Presidency Miguel Batista, Commerce and Industries Minister Roberto Alfaro, and Second Vice President Guillermo Ford.

Yesterday, businessmen unsuccessfully waited from 0900 until 1730 to meet with the carriers. In the evening, though, Colon Mayor Alcibiades Gonzalez met with representatives of the transportation sector to discuss the renewal of negotiations today with the mediation of Bishop Carlos Ariz.

The users said that they have been waiting for a dialogue and that they maintain this disposition 24 hours a day in an effort to find a solution to the Colon Free Zone strike and to prevent a national paralysis of the transportation sector.

Meanwhile, Roberto Troncoso, president of the Panamanian Human Rights Commission, has called for a dialogue and an agreement to find a negotiated solution to the conflict and to avoid harming other people.

Resolution Suspended

PA2707192591 Panama City Telemetro Television Network in Spanish 1825 GMT 27 Jul 91

[Communique issued by the Ministry of Government and Justice in Panama City on 27 July; read by Government and Justice Minister Juan Chevalier—recorded]

[Text] The Ministry of Government and Justice, in a search for the peace and harmony that should reign in democratic life, hereby declares:

1. In the handling of freight within the Free Zone, the national government will adhere to decisions adopted by a commission made up of the interested parties: the users and transporters of the Colon Free Zone.

2. The national government will in fact suspend, or fail to put into effect, Resolution 2091 issued by the management of the Colon Free Zone until the parties involved devise a mechanism to regulate freight hauling in the Colon Free Zone.

3. The government minister urges the parties involved to immediately suspend their strike, which would make it possible to establish a proper climate so that—through dialogue—the most appropriate solutions can be implemented.

4. The national government guarantees that there will be no arrests or reprisals of any kind and that vehicles, passes, and license plates that are being held by the respective authorities will be returned to their owners.

5. The citizenry in general is urged to remain calm and contribute in a positive manner to keep this conflict from continuing to damage the economy and the tranquility that our people need.

Issued in Panama City on Saturday, 27 July 1991.

Colon Truckers Continue

PA2807234791 Panama City EL PANAMA AMERICA in Spanish 28 Jul 91 p 1A

[Report by Eduardo Soto]

[Text] Government attempts to resolve the transportation conflict in the Colon Free Zone (ZL) failed yesterday when the truckers who are paralyzing the province ignored the statement issued by Government and Justice Minister Juan Chevalier, "effectively" suspending Resolution 20-91.

Chevalier's statement, which voids the order by the ZL management to allow merchants to own their own cargo transportation, prompted the country's transportation leaders to call off the strike scheduled for today. The statement indicated that the government would support the decisions made by the ZL merchants and truckers after a meeting is held.

The Government and Justice Ministry urged the truckers to suspend the strike that is paralyzing the province and guaranteed them that there would be no arrests or reprisals of any kind. In addition, the ministry stated that it would return passes and registration plates to the truckers.

The Colon truckers, however, refused to accept that solution, insisting that they want the "repeal" of the aforementioned resolution, not merely its "suspension."

In view of the government's decision to suspend Resolution 20-91, the rest of the groups in charge of transportation nationwide decided not to go on strike. This decision demonstrates the split that exists between some regional transportation leaders and the highest ranking leaders of the Panamanian Central Organization of Transportation Workers [CPTT], represented by Antonio Ferrer.

Dionisio de Gracia, the Government and Justice Ministry's Land Transportation director, headed a government delegation that flew to Colon yesterday to meet with the striking truckers and merchants interested in ending the conflict.

During the heated discussion that took place in the Colon archbishop's office, it was not possible to convince the truckers to stop the strike that has brought severe economic losses to Colon Province.

The truckers stated that "they did not want to be laughed at," noting that the Government and Justice Ministry statement proposes the suspension of Resolution 20-91, whereas they want its repeal.

ZL Manager Jaime Ford Lara recently warned that he would not accept any decision by the government that differs from what he established in the resolution. On this point, Chevalier said that Ford will have to accept the decisions by top government circles, since Ford is "a public official" who has no reason to object to matters upon which "the president has been thoroughly consulted." Some officials have noted Ford Lara is "an inexperienced young man," who "has let the problem slip out of his hands."

FARC Guerrillas Reportedly Train M-20 Rebels

PA2907030691 Panama City EL PANAMA AMERICA in Spanish 28 Jul 91 p 1a

[Text] Reportedly, M-20 [20 December Movement] members have contacted the 748 Brigade of the Revolutionary Armed Forces of Colombia (FARC) at Acandi, in Colombia's Choco Department, to be trained to abduct personalities and handle explosives.

According to the preliminary investigations of Panamanian security forces, an M-20 member has travelled four times to Puerto Obaldia (Indian territory) to attempt to enter a FARC camp under the command of Commander "Robert."

A Colombian woman known as "Pineda" who has Panamanian relatives was the contact between the M-20 member and the FARC 748 Brigade. The reports also reveal that the M-20 member stayed in the house of a Colombian woman named Ortiz the four times he visited Puerto Obaldia.

In the latter part of July, several newspapers reported that FARC was training 200 M-20 members in guerrilla tactics and that the Panamanian rebels were scheduled to start operating in 90 days.

According to the investigations carried out by official security forces, FARC has radio communication equipment and a transmitter station in Panama and monitors National Police and Judicial Technical Police [PTJ] broadcasts.

The authorities are also investigating a public force sergeant assigned to La Chorrera District; he accompanied the M-20 spokesman on his four visits to the Choco Department.

On 22 June, the National Police announced the arrest of Juan McKenzie, a member of the Committee for the Rescue of Sovereignty, in Puerto Obaldia. According to the official version, McKenzie allegedly had M-20 posters and organization plans on him when he was arrested.

Committee members have denied McKenzie's ties with the M-20 movement and asserted that he was in Puerto Obaldia to purchase sea products.

Juan McKenzie is currently at the disposal of Assistant District Attorney Carlos Herrera Moran, reportedly for perpetrating crimes against the state's internal personality.

The National Police and the PTJ have only conducted sporadic reconnaissance flights in the Puerto Obaldia area, but no land operations have been carried out to locate the alleged FARC and M-20 training camps.

Argentina

Government Announces Border Agreement With Chile

Details Announced in Aug

PY2607124891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2104 GMT 25 Jul 91

[Text] Buenos Aires, 25 Jul (NA)—The Argentine Foreign Ministry said today that negotiations with the Chilean Government on the unresolved border issues "have reached an overall satisfactory point" and that the respective agreements will be announced during President Patricio Aylwin's visit in early August.

Foreign Ministry Press Director Oscar Feito said in a communique that the specific aspects of the border agreement with Chile "will be announced by the two presidents."

Through this announcement the Foreign Ministry avoided confirming or denying an alleged agreement with Chile to find a solution to 22 disputed border points and that the conflict over the zone known as Laguna del Desierto would be left to the arbitration of a commission of three OAS countries.

Chilean Foreign Minister Enrique Silva Cimma arrived in Buenos Aires yesterday for the final touches in the border negotiations.

A high-level Foreign Ministry source also confirmed the reestablishment of diplomatic relations with South Africa and that the relations may be resumed before the September elections.

In this regard, the source said the government was thinking of making the announcement during Nelson Mandela's visit to Argentina. The visit has been postponed without a new date in the last few days, apparently because of a health problem affecting Mandela, who has been the main opposition to the apartheid regime.

Menem Hints at Arbitration

PY2607130491 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 26 Jul 91

[Report by special correspondent Sandra Gamboa from Buenos Aires]

[Excerpt] [passage omitted] After having lunch at San Martin Palace, Foreign Minister Guido di Tella and his Chilean counterpart, Enrique Silva Cimma, today held another working meeting.

[Begin recording] [Di Tella] I believe that like never before we are meeting in an atmosphere of cordiality and cooperation. I believe we will be able to resolve at least 22 of the points on the agenda and 24 at the most, because this is all there are.

[Gamboa] Minister, there have been some negative reactions to these talks from local media organizations, which have criticized these negotiations somewhat. They claim that part of the Argentine territory is being surrendered.

[Di Tella] Those are voices from the past that are not significant at all. They truly do not represent any Argentine sector of opinion. [end recording]

In this same atmosphere of cordiality, Silva Cimma called on President Carlos Saul Menem at the Government House at 1800 today. They conferred for more than one hour in President Menem's private office. It has been reported that agreement has already been reached on 23 of the 24 border points at issue. Menem himself told us what is going to happen with point 24; that is, the one related to the Laguna del Desierto area.

[Begin recording] [Menem] Well, in principle, we will give a final solution to that problem during the Chilean president's visit. In principle, we would submit this issue to the arbitration of the OAS; that is, we are veering away from the traditional method. In the past, this type of conflict used to be settled at the Hague Court. If we agree on this, the arbitrator will be the OAS.

[Gamboa] In any case, what is the Argentine Government's position on this point? I am asking you this in the face of the criticism made in this country regarding....

[Menem, interrupting] Well, there will be criticism here as there can also be criticism in Chile in a similar situation. The Argentine Government will take a position based on the talks we will hold with the Chilean president, when he arrives in our country. [end recording] [passage omitted]

Chile's Cimma Satisfied

PY2607123291 Buenos Aires TELAM in Spanish 0029 GMT 25 Jul 91

[Text] Buenos Airs, 25 Jul (Telam)—Chilean Foreign Minister Enrique Silva Cimma today said that the negotiations with Argentina to achieve a solution to the border dispute in the Laguna del Desierto area "have been extremely positive and agreeable." Silva Cimma, however, declined to provide any details on the procedures to be adopted to settle this dispute. In a statement he made at Government House after meeting with President Carlos Menem and Foreign Minister Guido di Tella, Silva Cimma said that "both the Argentine and Chilean Governments are very satisfied with the manner in which these negotiations have been conducted."

Today the Argentine Foreign Ministry said it was "very likely" that Presidents Menem and Aylwin will sign an agreement on 2 August that will definitely solve all border disputes.

Answering a question, Silva Cimma said that the joint declaration Presidents Menem and Patricio Aylwin will sign, during the latter's visit to Buenos Aires next week will include "issues such as border disputes, the economy, border police, transportation, agricultural disease prevention, and many others." Silva Cimma added:

"In 100 years we have never achieved as many agreements on a variety issues that are of interest to our countries."

He added that Chile is "empathetic" toward the Common Market of the South (Mercosur) comprising Argentina, Uruguay, Paraguay, and Brazil but that because of "the manner in which we are implementing our economic system, we are unable to join the Mercosur."

Silva Cimma noted that Chile has expressed its "willingness for the success of the Mercosur and its desire to work together based on the terms that have been established."

Cimma Ends Official Visit

PY2707120291 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 26 Jul 91

[Excerpts] Shortly after noon today Chilean Foreign Minister Enrique Silva Cimma ended his official visit to Buenos Aires within the framework of quite a restless Argentina that today, 26 July, recalls the anniversary of Eva Peron's death and is shaken by the scandal that links the family of President Carlos Menem's wife, Zulema Yoma, with drug trafficking. [passage omitted]

In view of all these developments, Minister Silva Cimma's visit was very discrete and almost went unnoticed. This morning the Chilean minister held a news conference for the foreign media. During the one hour plus conference, Silva Cimma was asked about the Laguna del Desierto border conflict, the repercussion in Chile of the bankruptcy of the Bank of Credit and Commerce International that financed the construction of the Hyatt Hotels in Buenos Aires and Santiago, the gas pipeline between the two countries, relations with Cuba, and even about Bolivia's desire for an outlet to the sea.

Moreover, Silva Cimma explained that five specialists in international law will reach a decision regarding the sovereignty of the Laguna del Desierto zone. That is, one Chilean, one Argentine, and three Latin Americans and not the OAS as some people have said.

[Begin Silva recording] In my opinion the confusion about the OAS was caused by the fact that the arbitrators are going to use an OAS premise to do their work. [end recording]

At noon, the Chilean minister returned to San Martin Palace to conclude his business meetings with his Argentine counterpart, Guido Di Tella. Di Tella referred to the significant progress made.

[Begin recording] [Di Tella] We have discussed the border issue, but do not want to disclose any details until the presidents meet next week. However, we have taken a significant step forward. However, this is not the only subject discussed; we have also discussed all aspects of economic integration such as the gas pipeline and a series of other subjects, which we are giving practical solutions that will be announced next week.

[Silva] I am fully satisfied. I say fully satisfied for various reasons. First, because of the incredible and reciprocal degree of understanding, of harmony. Second, because we have worked as a team. I believe we are setting an example for Latin America showing how we are able to solve common interests. [end recording]

Silva Cimma has thus arranged the working agenda for President Patricio Aylwin, who will visit Argentina on 1 August.

Military Unrest Over Dispute

PY2707122691 Buenos Aires TELAM in Spanish 0050 GMT 26 Jul 91

[Text] Buenos Aires, 26 Jul (TELAM)—Defense Minister Antonio Erman Gonzalez has emphasized the Armed Forces' "subordination" to the political power and their "respect" for the decision to submit the disagreement with Chile over Laguna del Desierto to OAS arbitration.

He said the Armed Forces will continue to be "supported by the political power," as long as they enforce compliance with the norms and rules in force.

Minister Gonzalez reported that a decree authorizing the drafting of the basis, specifications, and conditions for the privatization of Argentine Shipping Lines (ELMA) is awaiting President Carlos Menem's signature.

The minister made these comments at the end of the ceremony celebrating the National Gendarmerie's 53th anniversary, which was held at the "General Martin Guemes" School of Officials in La Matanza.

Referring to the border dispute with Chile, Minister Gonzalez said that it is up to the political power to resolve these situations and that the Armed Forces are the instrument of the political power to defend the country's sovereignty.

He revealed that, nevertheless, the Armed Forces have their representatives in the working commission preparing the agreements with Chile and that talks will continue "to more thoroughly study the reasons behind the Foreign Ministry's proposal of a border agreement" with the neighboring country.

Talking about ELMA, Gonzalez said that "possibly" in August the bid solicitation "will be submitted to the congressional joint commission for approval so that it can be made public afterward."

The minister confirmed the retirement of Brigadier Hector Sambrizzi, who had been sanctioned with a 60-day arrest for "violating regulations" in awarding a bid for acquisition of ILS [International Laser Systems] equipment.

He expressed "surprise" at the request for information by federal Judge Martin Irurzun, after Air Force Deputy Chief Brigadier Tomas Rodriguez denounced "irregularities" in the acquisition of spare parts for the Air Force. He added: "Unfortunately, I learned about it through the press."

Minister Gonzalez promised "total cooperation" with the judge in order to "clarify the denunciation" made by Brigadier Rodriguez. Then he reiterated that there was nothing improper about the acquisition of spare parts that were "absolutely necessary" for the Air Force and that it "had a secret character because it involved strategic material."

He reiterated the government's support for Brigadier Julia as head of the Air Force as long as military norms and regulations are obeyed.

Government Orders Sale of BCCI License

PY2607224491 Buenos Aires BUENOS AIRES HERALD in English 26 Jul 91 p 5

[From the "Business World" column]

[Text] (DYN)—The operating license of the Argentine branch of the BCCI [Bank of Credit and Commerce International] must be sold by December 31 or it will be revoked by the government, Central Bank President Roque Fernandez said yesterday. The BCCI, an international bank linked with drug money laundering operations, was closed in Britain as part of a worldwide swoop by central banks. The BCCI has a branch on Reconquista street in Buenos Aires. Fernandez said that deposits in Buenos Aires totalled only 68 million australs and 38,400 dollars and that the BCCI's Argentine credit portfolio was 3.6 million dollars.

Alleged Purchase of Nuclear Weapons Denied

PY2607185891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1640 GMT 26 Jul 91

[Excerpt] Buenos Aires, 26 Jul (NA) — The international scandal that has been unleashed due to the liquidation of the Bank of Credit and Commerce International, which has been accused of being the agent of terrorists, drug traffickers, and spies, today involved Argentina because information received from abroad indicates that Generals Jorge Videla and Leopoldo Galtieri carried out negotiations with that bank to acquire nuclear weapons.

According to the London daily THE GUARDIAN, Galtieri and Videla had the "intention" of acquiring nuclear weapons, which was evidently not achieved. However, what the British newspaper does not say is that just before Argentina became democratic, researchers of the National Atomic Energy Commission were able to complete the uranium enriching process, which is the indispensable basis for manufacturing nuclear weapons.

This news agency's attempt to contact the military men, mentioned by the English newspaper, was not successful.

Moreover, a former official of the military government, who asked not to be identified, flatly denied the newspaper's assertion, and he maintained that at that time the intention was to develop the uranium enriching process and thus not "purchase" nuclear weapons.

Local intelligence organization sources have interpreted the assertion of the English newspaper as a "psychological operation" to highlight "the nuclear aspect of peripheral countries" to thus increase the controls exercised by members of the nuclear club over countries with atomic development. [passage omitted]

Nuclear Plants Could Close Due to Lack of Fuel

PY2707033291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2310 GMT 25 Jul 91

[Text] Buenos Aires, 25 Jul (NA)—Manuel Mondino, president of the National Atomic Energy Commission (CNEA), warned today that nuclear plants that generate electricity could close down in 15 days due to a lack of fuel. Mondino stressed that the nuclear plants have fuel "for only the next 15 days." He stated that the situation is serious, if the fact is also taken into account that "on 21 July, seven thermal plants, which produce 900 megavolts, closed down."

The CNEA chief explained that the organization has a debt of more than $20 million with the enterprise that provides the fuel, and he stated that "the CNEA's financial trouble could lead to the bankruptcy of a local enterprise that has developed its own nuclear technology." He explained that during the first six months of 1991, the enterprises [words indistinct] to $287 million.

Mondino stressed that [words indistinct] the lack of payment by electricity enterprises, CNEA cannot pay its suppliers, including INVAC [expansion unknown], the enterprise that provides the necessary elements for cobalt therapy."

The CNEA chief stressed that he has informed Energy Under Secretary Carlos Bastos of the situation.

Reportage on Explosion Near Villa Martelli

Government Denies Coup

PY2707004491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0020 GMT 27 Jul 91

[Text] Buenos Aires, 26 Jul (NA)—An explosion of unknown origin that occurred near the Villa Martelli garrisons this evening alarmed people and resulted in a wave of rumors and telephone calls.

A government source said that the origin of the explosion is not known, but any rumor or report of military movements in Villa Martelli "must be completely discarded."

When the explosion was heard, dozens of people phoned radio and television stations to find out about the possibility of a military uprising, because that was the scene of Colonel Ali Seineldin's military uprising after he returned from Panama.

A high government source said: "There is no movement or uprising or anything like of the that nature. There was only an explosion near the garrisons."

Causes Reported

PY2707030491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0140 GMT 27 Jul 91

[Excerpts] Buenos Aires, 26 Jul (NA)—The situation at the Villa Martelli barracks appeared to be completely calm tonight, following an alarm in the area earlier today that was started by a fire and target shooting. [passage omitted]

A captain on duty invited reporters from several media who came to the barracks to see for themselves that a flare had started a fire in a grassy area. The officer told them that young conscripts were engaging in shooting exercises, when the fire started. He noted that the fire did not cause any major damage. [passage omitted]

Ubaldini To Run in Province Gubernatorial Race

PY2607234091 Buenos Aires BUENOS AIRES HERALD in English 26 Jul 91 p 11

[Text] (NA)—CGT [General Confederation of Labor]-Azopardo Secretary-General Saul Ubaldini officially launched his gubernatorial candidacy in the province of Buenos Aires outside the Justicialist Party structure and called President Carlos Menem's economic policies "neoliberal and conservative."

More than 2,000 people were present to witness the labour leader's opening remarks as he launched his candidacy at the UTA transport workers union headquarters. He will run under the Popular Front (Frente de Voluntad Popular FPV) banner. The party is composed of small left-wing parties dedicated to "anti-imperialism." Although Ubaldini is running outside the Justicialist Party, he considers himself a diehard Peronist.

"I was born, I am and I will die a Justicialist and I am proud each day of being even more Peronist," Ubaldini said.

The campaign will be based on "progress, justice and solidarity," and said that the people's impatience with the government is completely justified. [sentence as published]

However, Ubaldini will not be supported by powerful labour leaders Lorenzo Miguel or Luis Barrionuevo.

Metal Workers Union (UOM) leader Lorenzo Miguel said he would support Vice-president Eduardo Duhalde's ticket in the Justicialist primaries while restaurant workers leader Luis Barrionuevo said he would support San Martin Mayor Carlos Brown in the party's primaries.

Ubaldini could be expelled from the Justicialist Party since he is running separately. However, the labour leader said that Buenos Aires Governor Antonio Cafiero did the same thing in 1985 and then joined the Peronist party.

Meanwhile, Group of Eight Deputy Moises Fontela said that "Carlos Menem turned around and the Justicialist Party no longer represents us."

He equated Duhalde with Menem and said that a vote for the Vice- President is a vote for the Menem administration.

Fontela is running for vice-governor under the centre-left alliance led by Oscar Alende.

"He wants to integrate us to the First World as second-class citizens (cheap labour and surplus consumers)," Fontela said, referring to Menem's policies.

Bolivia

Paz Says Administrative Law To Be Enforced

PY2707184891 La Paz Radio Fides Network in Spanish 1100 GMT 26 Jul 91

[Text] President Jaime Paz Zamora has instructed the national comptroller and the national prosecutor to make the SAFCO [Integrated Financial Administration and Government Control System] law obeyed. Therefore, the national cabinet and all government officials must respect the SAFCO law within the framework o. the moralization policy, President Paz Zamora said in a message to the nation.

[Begin Paz recording] I have requested the national comptroller and the national prosecutor to strictly and scrupulously apply Law No. 11090, better known as the SAFCO law, for the correct implementation of public policies, programs, and projects.

Besides, this law serves to reliably define [words indistinct]; ensure the transparency and clearness of criteria; define the full responsibility of government officials in their administration; create an administrative capability; and identify, verify, and prevent the incorrect administration of public funds. [end recording]

Meanwhile, Energy and Hydrocarbons Minister Angel Zannier has reported that three other YPFB [Bolivian Government Oil Deposits] executives also have been removed from their post.

[Begin Zannier recording] The names I remember are engineer (Azebey), and a certain Mr. Perez, from Cochabamba. I do not remember the third name [words indistinct]. It is not easy; the national comptroller has not provided the names, therefore, the prosecutor should tell you the names. [end recording]

In the face of pressures within the MIR-ADN [Movement of the Revolutionary Left-Nationalist Democratic Action] Patriotic Agreement, YPFB President Rafael Pena Parada was replaced last night by Guillermo Gimenez Gallo, former ADN senator and minister during General Hugo Banzer Suarez's administration.

Reportage on Extradition of Traffickers to U.S.

Ministry Communique Issued

PY2707020891 Madrid EFE in Spanish 2226 GMT 26 Jul 91

[Text] La Paz, 26 Jul (EFE)—The Bolivian Foreign Ministry said today that the United States has asked for the arrest and extradition of 14 alleged Bolivian drug traffickers who, if they surrender voluntarily, will not be extradited.

This announcement was made in a communique released by Foreign Minister Carlos Iturralde who did not, however, give the names of the alleged drug traffickers wanted by the United States or the date when the extradition request was made.

On 26 June, the United States asked Bolivia for the extradition of Rafael Roca Suarez, Asunta Beatriz Roca Suarez, and Bianca Suarez de Roca, who were arrested the day before in Santa Cruz. They are relatives of Jorge Roca Suarez, who was considered the "number one" Bolivian drug trafficker until he was arrested near Los Angeles (United States) in December 1990.

The foreign minister stated, however, that the three individuals are not included in the new extradition request for 14 alleged traffickers.

"After the extradition request for Roca Suarez' three relatives was made, the U.S. Government asked for the extradition of 14 more alleged traffickers, but the request has not been submitted to the Supreme Court" said Iturralde, because some of them may "decide to surrender voluntarily."

The Supreme Court is the Bolivian organization authorized to approve or reject extradition requests.

The Foreign Ministry communique was released after the Bolivian Government announced a plan guaranteeing that alleged drug traffickers who surrender to the police and cooperate with officials will not be extradited to the United States. (A few months ago, the Colombian Government approved a similar decision, which led to the surrender of several drug "chiefs," including Pablo Escobar Gaviria, "Medellin Cartel" chief.)

The Bolivian plan, which will be approved by a decree to be promulgated soon, gives people suspected of links with illegal drug trafficking 120 days to surrender to the police and guarantees them that they will not be extradited to the United States, which is the only country interested in extraditing alleged Bolivian drug traffickers.

The proposal made by the Bolivian Government to the alleged drug traffickers was explained to Washington last week by a delegation headed by Iturralde and Interior Minister Carlos Saavedra.

Saavedra said that Senator Edward Kennedy, a Democrat, was "very enthusiastic" about the Bolivian plan, but that "some State Department personalities" had "some reservations" about the plan.

Other diplomatic sources said that the U.S. reply was to accept the plan "with resignation." Although it would have preferred to have the alleged "drug traffickers" tried in the United States, the U.S. Government promised to support the Bolivian judicial system.

The same sources added that one of the main arguments that convinced the U.S. Government was Bolivia's commitment to process the extradition of drug traffickers, who do not voluntarily surrender.

Minimum Sentences Promised

PY2707142791 La Paz Radio Fides Network in Spanish 1100 GMT 27 Jul 91

[Text] The government has said that drug traffickers, who surrender, will be asked to serve minimum sentences. Interior Minister Carlos Armando Saavedra Bruno said the 120 day period for drug traffickers to surrender might go into effect next week.

[Begin Saavedra recording] The reaction to the Bolivian position has been very positive. We are earning respect and credibility. We have launched a stabilization plan in the past, now we are launching an effective plan to reduce drug trafficking in the country. [end recording]

According to Justice Under Secretary Roger Pando, thus far no drug trafficker has surrendered to the courts or the Interior Ministry. Pando added that the only case, that of Erwin Guzman, cannot be counted, because Guzman has not been charged with any offense and, therefore, cannot be extradited to the United States.

Supreme Court Awaits Request

PY2607184191 La Paz PRESENCIA in Spanish 16 Jul 91 Second Section p 1

[Excerpt] Sucre, 15 Jul (PRESENCIA)—The Supreme Court of Justice, which will decide on the extradition of three relatives of drug trafficker Jorge Roca Suarez, alias "Thatched Roof," has not yet received a formal petition from the U.S. Government. Supreme Court President Edgar Oblitas Fernandez has made it clear that the Supreme Court has only received a petition from the Foreign Ministry requesting the preventive custody of the "extraditables," who are wanted in the United States.

The Supreme Court president refused to comment on those who reject the idea of extradition, because it would demonstrate weakness on the part of the Bolivian courts. He said that the matter will be thoroughly reviewed by the Supreme Court plenum.

The Supreme Court president pointed out the need to hasten the trials of Bolivian citizens detained abroad. He recalled that the criminal branch of the Supreme Court must pass judgment on the Huanchaca case, in which the alleged drug traffickers Gil Suarez and Bismarck Arredondo are involved. Suarez and Arredondo were

detained last month in Buenos Aires and their extradition has been announced by the Bolivian Government. [passage omitted]

Coca Growers, Direco Agents Clash Denied

PY2707123891 La Paz Television Boliviana Network in Spanish 0200 GMT 27 Jul 91

[Excerpt] According to an official report, there has been no clash between coca growers and the Coca Eradication Directorate, Direco, agents in Chapare.

Since the promulgation of Law 1008, no coca grower can have coca nurseries or plantations in the transition areas. The coca growers, who join this program, promise Direco not to start new plantations, said Alternative Development Under Secretary Osvaldo Antezana, when commenting on the evaluation work being conducted by Direco agents in Chapare. Although this work evaluation allegedly has been rejected by some peasants, no clash has taken place. The work being conducted in the region is in strict compliance with the terms of Law 1008.

A commission—comprising five executives of the tropic federations and labor unions that have been accepted to undertake the evaluation—has been created to prevent further complications, Under Secretary Antezana said. [passage omitted]

Program Against Drug Trafficking 'Could Fail'

PY2607193191 La Paz PRESENCIA in Spanish 16 Jul 91 p 7

[Text] The national alternative development program, which seeks to help combat the trafficking of drugs, could fail. Little progress has been made on the situation the coca replacement program may not succeed.

This was one of the main conclusions reached at a seminar on alternative development sponsored by the Senate Antinarcotics Committee in Chapare last weekend.

According to Lorgio Rivera, head of the congressional committee, the programs to voluntarily replace coca plantations are not advancing because of the limited resources earmarked and because those responsible for the projects are failing to comply with their duties because these projects provide well-paid jobs for many people. This situation is distorted because the alternative development program in coca producing areas is being tackled in a general manner. The financing of the programs does not foresee concrete results for the peasants.

The eradication of the coca plantations does not in fact reduce production. Rivera said that this situation occurs because coca plantations are eradicated without providing the peasants with the means to replace them with commercially viable products.

Furthermore, the programs that have been implemented have not directly benefited the coca producers. Rivera said: Roads, health, drinking water, small industries, and other projects "can become white elephants." [sentence as published]

Another issue discussed at the seminar was the lack of funds to effectively implement the alternative development program. Rivera said: "A small amount of cooperation has been provided thus far and resources are insufficient."

One significant topic of the seminar was the lack of effective control on the legal trade of coca leaves, which is even worse than the control on the illegal trade of coca leaves.

Coca leaf is even being taken into the cocaine producing areas, known as "red zones," from other regions. This situation becomes worse in view of the ineffective control on precursors.

Rivera finally praised coca producers' willingness to replace coca plantations. He said: "It is not true that peasants oppose the alternative development program; the programs are just not being implemented."

Joint Cooperation in Antidrug Struggle Analyzed

PY2607213191 Madrid EFE in Spanish 2339 GMT 24 Jul 91

[Text] La Paz, 24 Jul (EFE)—Argentine police representatives today concluded a three day visit to La Paz, during which they concurred with Bolivian authorities on the need to strengthen cooperation in the antidrug struggle.

The Social Defense Under Secretariat, which coordinates the antidrug struggle, today issued an official communique, which states that the Argentine delegation met with officials of this secretariat and with representatives of the information department of the specialized antidrug police force.

They exchanged information on the alleged Bolivian drug "bosses" Humberto Gil Suarez and Miguel Arredondo, who were arrested by the Argentine police in Buenos Aires in June.

The communique says: "They agreed to strengthen cooperation and coordination both in the case of Suarez and Arredondo and in all those related with the production and illegal traffic of drugs."

The Argentine delegation arrived in La Paz on 22 July. It included members of the federal police, the police border, and a representative of the attorney office. Their identities have not been disclosed.

Official sources told EFE that during the talks, Bolivia may have asked for the extradition of Gil Suarez and Arredondo.

Border Markers With Chile Said Not Removed

PY2607142091 La Paz La Red Panamericana in Spanish 1100 GMT 26 Jul 91

[Text] Acting Foreign Minister Marcelo Perez Monasterios has denied the Armed Forces denouncement that Chile has removed some border markers with Bolivia.

[Begin Perez recording] No border markers have been removed. [end recording]

Given the irresponsibility shown by some senators, the Senate has been unable to finish its debate about the alleged peaceful invasion by Chile and the removal of two border markers in Llica, where two Chilean mining companies are exploiting Bolivian gold.

Millions Allocated to 1992 Foreign Debt Payment

PY2607222791 La Paz PRESENCIA in Spanish 17 Jul 91 p 5

[Text] The National Treasury will allocate $206 million for the payment of the Bolivian foreign debt in 1992. Finance Minister David Blanco said on 16 July that preliminary estimates have been completed. He added that the government will not resort to private international banks to meet its financial needs.

The 1991 budget allocates $140 million for this purpose. Blanco said that the allocation of resources will be hiked by more then 60 percent, adding that this will be increased despite the fact that Bolivian bilateral debt payments have been reduced.

The government has decided to adhere to the Bush initiative, which will control relations between the United States and the foreign debt of the developing countries.

Blanco said that the government decided to draft a plan of action to drastically reduce the foreign debt, especially that owed to the international private banks. Financial sources that can offer flexibility regarding interest rates, amortization period, and grace period will be sought.

He said: "It is not necessary to ask the international private banks for credit for the time being," adding that "it might become necessary in the future, depending on the prospects for exports and the changing conditions in the international market. These two contingencies could help improve Bolivia's ability to pay."

In the past few months international bankers have studied ways to channel financial resources into the development of the poorest countries. "The formulas being analyzed reportedly follow the rules of the Inter-American Development Bank and the World Bank. Some private banks have begun to operate along these lines."

Blanco completely ruled out the possibility of obtaining direct credits from the international private banks under present circumstances. In the future, private financing will be made in conjunction with additional financing granted by multilateral organizations.

Brazil

Collor Approves Elections Law, Vetos 11 Articles

PY2807022291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jul 91 p 5

[Text] Brasilia—After vetoing 11 articles, President Fernando Collor de Mello yesterday approved the law regulating municipal elections slated for 3 October 1992. Elected candidates—mayors, deputy mayors, and councilmen—will be installed on 1 January 1993. For the first time, the executive and legislative branches managed to pass an electoral law a year before the elections. In the past, the Superior Electoral Board (TSE) has usually had to regulate elections because the government and Congress could never complete that task in time.

President Collor vetoed Article 49, which prohibited and defined as an electoral crime any political campaign near voting places, and provided for sentences of up to six months imprisonment for candidates involved in these campaigns. With his veto, there is no longer any legal measure forbidding or allowing electoral campaigns near voting places. He also vetoed two articles on candidates participation in radio and television programs, arguing that these articles "represent an impediment to the full exercise of freedom of information."

Article 39 stated that after the registration of candidates, radio and television stations could invite candidates, up to 48 hours before elections, to participate in programs, provided that all candidates were given the same opportunity. The other article vetoed by the president, Paragraph 9 of Article 34, provided for a 10-day suspension for radio and television stations that show an electoral preference. Collor argued that it would be very difficult to determine what would constitute an electoral preference.

The remaining eight vetoes had to do with technical matters. In addition to rules for free electoral campaigns, the law provides for other alternatives. The following are the main points of the law approved by Collor:

Radio and television campaigns: All radio and television stations will provide 80 minutes everyday for political campaigning in the 45 days prior to the eve of elections. Only those parties that elected at least one representative to Congress and three to the Legislative Assemblies on 3 October 1990 will participate in this program. Of this total, 20 minutes will be equally divided among parties and 60 minutes will be distributed proportionally—30 minutes according to the number of representatives elected to Congress and 30 minutes according to the number of chairs gained by the party in Legislative Assemblies.

Registration: Only those political parties that are duly registered at the TSE by 5 July 1992 will be able to register candidates and participate in coalitions.

Residence: The deadline for a candidate to join a party ends on 2 April, and the candidate must prove his electoral residence at least one year before elections. The previous electoral law provided for a six-month electoral residence.

Fraud: To prevent fraud, the voting points will also serve as vote-counting points in the capitals and municipalities with more than 100,000 voters.

Outdoors [preceding word in English]: Electoral campaigning should not exceed 50 percent of the overall outdoor facilities in a municipality.

Polls: Organizations or companies that conduct public opinion polls must submit the results, three days before publication, to the central electoral zone office or to the Regional Electoral Board. The institute must also reveal the name of the polls' sponsor.

Advertising in Newspapers: Only paid advertisements will be allowed in the press, up to one-eighth of the standard newspaper page and one-fourth of a magazine or tabloid page per edition.

Costa Rican Vice President Visits Sao Paulo

PY2707171091 Brasilia Radio Nacional da Amazonia Network in Portuguese 1100 GMT 27 Jul 91

[Text] Costa Rican Vice President Arnoldo Lopez Echandi is visiting Sao Paulo. The vice president is interested in Brazilian technology to produce alcohol fuel from sugarcane. Lopez Echandi said his country is very much interested in Brazilian technology, because it is the largest alcohol fuel producer in the world. The vice president recalled that the mixture of alcohol and gasoline has an ecological purpose and that there is concern about pollution in large urban centers and the oil-produced greenhouse effect. The mixture of alcohol and gasoline, and its advantages, will be discussed by countries attending Eco-92 [UN World Conference on the Environment] in Rio de Janeiro next year.

Latin American Presidents To Visit in Aug, Sep

PY2707032091 Madrid EFE in Spanish 2118 GMT 25 Jul 91

[Text] Brasilia, 25 Jul (EFE)—Diplomatic sources reported today that the presidents of Argentina, Paraguay, Uruguay, and Colombia will make officials visits to Brazil to discuss political and economic integration matters.

Argentine President Carlos Menem will arrive in Brasilia on 19 August for a 48-hour visit to hold discussions with his Brazilian colleague, Fernando Collor de Mello, on bilateral affairs and the Common Market of the South (Mercosur), to which Argentina and Brazil along with Paraguay and Uruguay belong.

Argentina and Brazil have increased their bilateral trade during the past five years, and on 18 July 1991, during the First Ibero-American Summit of presidents and chiefs of state, the two countries signed a cooperation agreement on the peaceful use of nuclear energy and agreed not to manufacture atomic bombs.

Paraguayan President Andres Rodriguez is scheduled to visit on 27 and 28 August. Rodriguez' predecessor, former General Alfredo Stroessner, whose son is married to Rodriguez' daughter, has lived in the luxurious Brasilia District of Lago Sur since February 1989, when Rodriguez ousted him from the Presidency.

Rodriguez and Collor will give special attention to Mercosur, future development projects along the common border, and the Brazilian-Paraguayan Itaipu hydroelectric plant, the largest in the world. Paraguay recently demanded the disbursement of a $100 million debt that Itaipu has with its government and a modification to the Itaipu treaty, which prevents Paraguay from selling electricity to any other country but Brazil.

Colombian President Cesar Gaviria will arrive in Brasilia on 2 September for a 48-hour visit. Among other things, he will discuss control of the common border region and the world coffee market.

In March 1991, there were clashes between Brazilian soldiers and Colombian miners that resulted in the death of 10 individuals from both sides and there were charges of maltreatment of Colombian citizens by members of the Brazilian Army who are posted on the border.

Colombian coffee business leaders have asked Brazilian authorities to adopt a joint position during the upcoming meeting of the International Coffee Organization, which will be held in September in London. In June 1989, Brazil, the world's largest producer of coffee, withdrew from the International Coffee Agreement, which fixes prices and quotas; since then, it has sold its 17 million sacks (60 kg each) on the free market.

According to diplomatic sources, Uruguayan President Luis Alberto Lacalle will visit the Brazilian cities of Brasilia, Sao Paulo, and Porto Alegre between 16 and 18 September.

It is a Brazilian Foreign Ministry (Itamaraty) rule never to make an official announcement of visits by foreign heads of state prior to their arrival.

The five presidents gathered officially for two days—18 and 19 July—during the Guadalajara summit, which, for the first time in history, gathered 23 chiefs of state, including two heads of government, from 21 Latin American countries, Spain, and Portugal. During this summit, the Ibero-American conference was created.

Government Planning Amendments to Constitution

PY2607213591 Madrid EFE in English 1959 GMT 26 Jul 91

[Text] Brasilia, July 26 (EFE)—The Brazilian Government is planning a series of amendments to the constitution, but Economy Minister Marcilio Marques

Moreira denied Friday that the proposed changes were a concession to the International Monetary Fund (IMF).

"These changes are envisaged in the National Reconstruction Plan (NRP) and there is nothing new in the plan that relates to any demand by any creditor," Marques Moreira said.

The minister was referring to remarks attributed to Jose Fajgembaum, chief debt negotiator for the IMF team which is in Brazil to review the effect on the economy of adjustment measures taken by the government of President Fernando Collor de Mello.

Fajgembaum said last week that Brazil would have to alter its constitution if it wanted a dlrs two billion stand-by loan from the IMF.

The IMF negotiator said the government should scrap the law that guarantees individual states a share of federal tax revenue. Inflation in Brazil according to Fajgembaum, could only be cut by slashing the huge federal deficit.

Collor canceled all meetings with Fajgembaum, an Argentine, and demanded that the IMF replace him since his remarks constituted interference in Brazil's internal affairs.

On Wednesday, Fajgembaum was replaced by a new negotiator, Ted Beza, from the United States, and fresh talks between the government and the IMF have been scheduled.

The seven proposed amendments seek to change constitutional laws on the tax and social security system, the federal budget, monopolies enjoyed by state-owned companies and "jobs for life" enjoyed by civil servants.

The amendments were envisaged in Collor's NRP presented before Parliament in March with the aim of restructuring Brazil's ramshackle economy and to enable the country to repay its dlrs 123 billion foreign debt—the largest in the developing world.

Negotiations with the IMF are considered a first step toward reaching long-term accords on foreign debt payments to private banks and the Paris Club government creditors.

Of its dlrs 123 billion foreign debt, Brazil owes dlrs 52 billion to private creditors.

'Deep' Economic Changes May Include Tax Reform

PY2707123291 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Jul 91

[Text] Economy Minister Marcilio Marques Moreira said the agreement Brazil must conclude with the IMF contemplates deep economic changes that include tax reform.

[Begin Marques Moreira recording] The program of national reconstruction is central to our proposals to the IMF. The new stages will begin implementation in August after the plan is presented to Congress and society. Government figures and programs are based on certain fiscal and monetary expectations and the state of [word indistinct] accounts. These government estimates and projections will be the basis of the letter of intent and the understanding with the IMF. [end recording]

The IMF team headed by Ted Beza, new chief of mission in Brazil, will meet with Brazilian economic team experts today to study the figures on the national economy.

Gradual Equalization of Civil Salaries Planned

PY2807024091 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 26 Jul 91

[Reported by Lourival Macedo from Annapolis Air Base]

[Text] The equalization of civil servants' salaries can only be made gradually, said President Fernando Collor today during an interview at the air base in Annapolis, Goias state. He explained that in order to immediately pay equal salaries for equal grades throughout the legislative and judiciary branches, the government would have to increase the payroll by more than 500 percent, and the Treasury does not have this kind of cash.

President Collor also said the government can only grant civil servants a 20-percent across-the-board salary readjustment in addition to the differential salary increase for each pay grade.

During the interview, the president recognized that salaries are quite depressed, and stated that if salary readjustments were up to him, he would certainly grant them.

[Begin Collor recording] If I could grant, say, 500- or 1,000-percent readjustments, do you think I would allow someone else to grant them? [end recording]

The president said that the truth is that the treasury does not have enough money to defray higher adjustments, and such adjustments in the present situation would only ruin the government's economic stabilization plan. The president recognized the need for justice with regard to civil servants' salaries.

[Begin Collor recording] Even after this increase—although I do not recall the exact numbers—a (DF-3) grade in the executive branch will make about 600,000 cruzeiros and a (DF-3) in the legislative branch will make about 1.3 million cruzeiros. [end recording]

President Collor anticipated that an equalization of salaries in the three branches of government will be made gradually, and that it may even be completed under his government.

[Begin Collor recording] If the salaries in the executive branch are immediately raised to the level of those paid in the judiciary and legislative branches, we would have to multiply the current payroll by five. This is impossible; there is no money for this. So, we have to have patience and slowly move upwards toward an equalization of salaries, perhaps by the end of my mandate. The much-discussed equalization

can only be achieved through concerted action among the three branches of government.

The president also announced that next month, as soon as Congress reconvenes, Justice Minister Jarbas Passarinho will begin to negotiate with congressmen a new salary policy that can meet the expectations of Brazilian society.

Police Say Deputy Rabelo Leads Drug Traffickers

PY2807194891 Rio de Janeiro O GLOBO in Portuguese 27 Jul 91 p 4

[Reported by special correspondent Gisele Vitoria]

[Excerpt] Cacoal, Roraima—Two weeks after the initial investigations into the involvement of Deputy Jabes Rabelo and his brothers Abidiel and Nobias in drug trafficking, the Rondonia Federal Police superintendent claims to have the name of the big cocaine trafficking chief who supplies the drug to the Rabelo brothers. He is Yayo Rodriguez, who is based in Bolivia. The Federal Police are convinced of Yayo Rodriguez' connection with the three Rabelo brothers, who are responsible for the transport of the drug from the Bolivian border to Cacoal and from there to Sao Paulo, where the cocaine is distributed abroad.

Alberto Lasserre Kratzl, Rondonia Federal Police superintendent, claims that Deputy Jabes Rabelo is the "head" of the organization that also involves his brothers with the Bolivian cartels.

Despite the wealth accrued in Cacoal, estimated at 5 billion cruzeiros by Federal Police agents, and despite his political interest in running for Cacoal mayor, Abidiel Rabelo only plans the trafficking operations. The police are gathering the necessary evidence to show that Abidiel Rabelo, who has been under arrest for transporting 554 kg of cocaine in Sao Paulo, is responsible for the transport of cocaine in Brazil, together with Yayo Rodriguez, while Jabes Rabelo is a sort of mastermind and organizer of the illegal business. The Federal Police have strong indications that the cocaine was refined in Rondonia. [passage omitted]

Plans To Import Wheat From Argentina, Canada

PY2707181091 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 Jul 91

[Text] The Brazilian Government will import wheat from Argentina and Canada. According to Economy Ministry experts, this year the country will need to purchase 4 million tonnes of wheat at a total cost of $700 million. The importation of wheat is due to scarcity produced by the reduction of cultivated areas.

Chile

More Reportage on Border Dispute With Argentina

Aylwin Refuses To Comment

PY2607231491 Santiago Radio Chilena Network in Spanish 1700 GMT 26 Jul 91

[Text] The president of the Republic, Patricio Aylwin, has refused to comment on an Argentine Government announcement on the Laguna del Desierto border problem.

[Begin recording] [Aylwin] Well, now....

[Unidentified reporter, interrupting] What will happen if it turns out to be true that you will resort to....

[Aylwin, interrupting] No, I am not going to make any statement on this until we have signed the documents. [end recording]

The chief executive was approached about this issue at the end of a mass that is said every Friday in the La Moneda Palace chapel.

On 1 August, Aylwin will travel to Buenos Aires to sign a series of agreements with Argentine President Carlos Saul Menem.

Official Confirms Arbitration

PY2607234691 Santiago Radio Chilena Network in Spanish 1700 GMT 26 Jul 91

[Reported by Daniela Araneda from the Foreign Ministry]

[Text] Acting Foreign Minister Edmundo Vargas has confirmed that Chile and Argentina will resort to international arbitration to settle the dispute over the Laguna del Desierto area. The acting foreign minister said that details of this mediation will be announced on 2 August by Presidents Aylwin and Menem, who will meet in Buenos Aires.

Vargas noted that our country has traditionally resorted to arbitration.

[Begin Vargas recording] An arbitration has been reported. I confirm this, but I am not in a position to announce the contents and forms of the arbitration or who will make up the arbitrating court.

I am in a position to confirm what I have already said several times: The 1984 treaty is the instrument that will be used. [end recording]

Edmundo Vargas noted that both the Chilean and Argentine Foreign Ministries have pledged not to disclose the details of who will be the arbitrator, although, it has been announced that the arbitrator will be a group of Latin American personalities.

The acting foreign minister admitted that the joint commissions, which have been meeting since August 1990 to settle the pending 24 points on border matters,

have failed in their negotiations. The alternative, he said, was to continue the disagreement or settle it with a mechanism contemplated in international treaties. Vargas also noted that there was no friction during these meetings, and the Argentine position—as stated by some media—has not prevailed.

Minister Discusses Economic Growth, Variables

PY2807205291 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 27 Jul 91

[Text] Economy Minister Carlos Ominami pointed out that there cannot be any doubts that the national economy has experienced an important reactivation during the first six months and that, as a result of this reactivation, the economic growth rate this year will reach 5 percent, which is the government's goal.

Ominami stated that the macroeconomic conditions prevailing in Chile will allow it to maintain high investment rates, much higher than those registered in past years.

[Begin Ominami recording] I believe it is important to emphasize that no one has any doubts about the reactivation of our economic growth rate. It is quite probable that this economic growth rate will reach around 5 percent in 1991, according to the available indicators.

The existence of a positive position in the balance of payments has not been questioned either. This allows us to state that, unlike past situations, there is no foreign requirement to maintain an appropriate economic growth rate.

The country is growing. Inflation is under control. The international community sees Chile as a nation that has been able to combine appropriate economic management with important advances in the social field that are necessary for development. Conditions prevail for maintaining high investment rates, much higher than the investment rates registered during the 1980's. [end recording]

In Ominami's opinion, it is somewhat premature to criticize the package of economic measures recently implemented by the government.

In our opinion, it does not seem appropriate to draw final conclusions on the effectiveness of the macroeconomics policy based on purely circumstantial events, the economy minister stated.

Ominami added that the country must join efforts in order to consolidate its good economic performance. In this regard, he emphasized: The government has been playing its role by significantly—but prudently—increasing social expenditures and by maintaining a balance between fiscal revenues and expenditures.

In Ominami's opinion, now it is necessary to strengthen the dynamics of private investments, a national task to which the government is also contributing with its policy of Stable growth and with the policies supporting productive investments.

Army Communique Issued on Espionage Probe

PY2807201891 Santiago Radio Nacional de Chile Network in Spanish 1700 GMT 27 Jul 91

[Text] In an extremely brief four-line communique, the Army today informed the citizenry that it has ordered the appropriate investigations with respect to a press report published on 26 July.

The brief communique issued by the Army Press Department states: Concerning a report published in a morning newspaper of our capital on 26 July 1991, the Army hereby informs the public that our institution has ordered the appropriate investigations.

Despite the conciseness of the communique, it is obvious that the Army refers to an article in the newspaper LA EPOCA that disclosed the identity of agent Charlie, who was involved in an alleged political espionage network and who, according to the newspaper, actually is Sergeant Carlos Kramm Soto, 35.

PS Officials on Investigation of Espionage Case

PY2807201091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 27 Jul 91

[Text] Socialist Party [PS] President Jorge Arrate and [PS] Senator Jaime Gazmuri have said the government must conduct a thorough investigation into the alleged espionage [against the PS], especially now that the man, who gave the orders, has been identified.

The politicians focused on the latest reports published in a morning newspaper, stating that the person who ordered alleged political espionage against the PS and the PPD [Party for Democracy] is Carlos Kramm Soto, an alleged Army sergeant.

Gazmuri stted that, in light of new information, there are two possibilities: First, that the espionage was carried out by Dine [Army Intelligence Directorate] personnel, which would be very serious, especially after the Army denied that Dine has the power or the goal to carry out this type of action; or, second, that a private group engaged in espionage could be involved, which would also be serious and illegal. Such a group could be included among other unconstitutional movements such as the Lautaro Youth Movement and the autonomous faction of the Manuel Rodriguez Front, he added.

Arrate pointed out that the investigation and control of the identity of the person mentioned in the newspaper report could be conducted in a few hours. This is what we are asking, he said.

It is appropriate to have very accurate information on these events because they go against the law and the security of the people who are now participating in the democratic life that was recently achieved, Arrate noted.

Gazmuri indicated that the government now has more information than it had a few weeks ago. With this information it is possible to resolve the situation under investigation that has been disclosed to the public through press reports.

MAPU Demonstrators Set Barricades in Conchali

PY2807202691 Santiago Radio Nacional de Chile Network in Spanish 1700 GMT 27 Jul 91

[Text] An eight-man group, wielding short- and long-barreled firearms, carried out a lightning propaganda action in Conchali District last night.

The demonstrators threw pamphlets with the slogan: We are already the people in the vanguard capable of taking over Chile, 22 years, MAPU [United Popular Action Movement].

After the demonstration, which was on Cardenales Street between Maria del Pilar and Santa Ana Streets in the Heroes de la Concepcion shantytown, the demonstrators fired in the air, set up barricades, and burned tires before leaving the site.

When the Carabineros arrived, the armed demonstrators fled toward the Heroes de la Concepcion shantytown, whose dwellers did not participate in the proselytizing action.

MAPU Leader on Infiltration by Communist Youth

PY2807210091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 26 Jul 91

[Text] Jorge Correa Riquelme, metropolitan area president of the United Popular Action Movement, MAPU, has admitted that in 1981-82 the MAPU was infiltrated by Communist Youth members. In this way they took away young people, who had approached the party but were not MAPU members.

[Begin Correa recording] The Lautaro Group was born from an infiltration of another party's youth into our party's youth and this issue was (?discussed) during a party congress. In other words, we are not unaware of the fact that they took away our people. This, however, was the result of infiltration.

This issue becomes very clear in a posthumous interview with Antonioletti that was published in the newspaper LA NACION. In a two-page article, Antonioletti says, as Lautaro Group founder, that it was the result of another party's infiltration into our party's youth. [end recording]

Correa further indicated that the MAPU supports the government's television spots and press material against terrorism. He emphasized that they are well directed.

The MAPU leader noted that the MAPU supports the government campaign. Correa said: One of the worst obstacles, which prevent us from making progress and from contributing to this process of transition to democracy, is the activities of extremist groups.

Correa noted that he wanted to make it clear to the public that the MAPU has not participated in any terrorist action and that it considers the path of armed struggle as the worst one for Chile to become a better and more democratic country.

Party Discusses Gorbachev, Chile Communists

PY2707165291 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 27 Jul 91

[Reported by Antonio Cofre]

[Excerpt] Christian Democratic Party President Andres Zaldivar pointed out that the Communist Party is going through the last phases of its final dismantling. He made this remark while focusing on the latest remarks by Soviet President Mikhail Gorbachev, who proposed that the Central Committee of the Soviet Communist Party abandon Marxism-Leninism and support social-democratic ideas.

[Begin Zaldivar recording] Gorbachev's decision is again shaking the communist world. And I would say that these are the last phases of what we could call the dismantling of the Communist Party, the dismantling of its political expression as we knew it in the 1960's. [end recording]

Zaldivar said this event will undoubtedly influence the Communist Party of Chile. He said: Only small islands of what could be the strictest Marxist-Leninist belief remain; only Cuba and continental China remain.

My impression, Zaldivar added, is that Gorbachev's remarks will continue having a fairly strong effect on communist-socialist beliefs. [passage omitted]

Deputy on Signs of Money Laundering in Country

PY2707151891 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 27 Jul 91

[Text] There are clear signs that drug traffickers are laundering money in Chile, that is, making fraudulent gains appear legitimate.

This remark was made by Christian Democratic [as heard] Deputy Luis Le Blanc, the chairman of the Chamber of Deputies' special drugs investigative committee.

Le Blanc indicated that, according to an investigation conducted by his committee, an ever-increasing drug—cocaine paste—abuse rate, especially in the northern part of the country, has been confirmed.

This is reason enough for the problem to be tackled by Chile's various social organizations, in addition to the government and Congress, Le Blanc said.

There are clear signs that we are confronting the problem of money laundering in Chile, the deputy said.

[Begin Le Blanc recording] This problem has become worse. I repeat that there are clear signs that we are confronting this type of problem. This means that a thorough investigation must be conducted. This is a task for the pertinent organizations, the specialized organizations, that—based on the

information compiled by the special committee, as well as the information supplied by their own sources, information that is also available to the government—must, of course, carry on with the investigation.

There are clear signs. This, in our opinion as deputies who are committee members, is a factor that we must consider and duly take into account with respect to the development of this problem. [end recording]

The deputy explained that his investigative committee has virtually completed a report on drug trafficking in Chile. This report will be delivered to Congress within two weeks. He said the report probably will become public knowledge. This, however, has not yet been determined, Le Blanc concluded.

Health Workers End Strike; Return To Work

PY2707190091 Santiago Radio Nacional de Chile Network in Spanish 1700 GMT 27 Jul 91

[Excerpt] At 0800, 60,000 public health workers went back to work in the country's hospital services, putting an end to a 40-hour strike in which they asked for salary increases from the government.

Fenats [National Federation of Health Workers] national leader Estanislao Soto has said that the situation at hospitals and consulting offices is absolutely normal. [passage omitted]

Colombia

Gaviria Comments on Peace Issues, Reforms

PA2607205191 Bogota Inravision Television Cadena 1 in Spanish 0126 GMT 26 Jul 91

[Interview with President Cesar Gaviria by unidentified reporter at the Presidential Palace in Bogota for the "Facing the Facts" program on 26 July; recorded—monitored in progress]

[Text] [Unidentified reporter] ... Regarding the coffee pact, Mr. President. Is the coffee pact's restoration feasible as a specific means of cooperation?

[Gaviria] The United States has, to some extent, demonstrated much more goodwill regarding the coffee pact than it displayed when the pact was broken and its economic clauses ceased to exist. The fact is, Brazil has probably been the country that is most reluctant to restore the International Coffee Organization's [ICO] clauses. The Brazilian Coffee Institute has been dismantled; it no longer exists and its activity is totally privatized at present. Brazil does not have the tools to negotiate or manage its internal coffee situation. In reality, we have been unable to recover Brazil's interest in the pact's restoration.

[Reporter] Mr. President, another domestic problem: the guerrillas. You said recently that you were not as moderately optimistic as you were about six months ago. Do you hope to achieve peace with the guerrillas?

[Gaviria] Yes. I hope to attain peace. I believe in political solutions. It seems to me, and to most Colombians, that the guerrillas no longer have political feasibility. They have, to some extent, been undermined by events in other parts of the world, by the events in East Europe. Their political plan is worn out; it has no chances. I am convinced that if Colombian society persists in its effort to find a political solution, it will eventually succeed.

It is a shame that having restored the dialogue with the subversive groups, we must now face this wave of terrorism, which has done so much harm to the people, to unarmed and defenseless people in so many parts of Colombia. A good many people have been left without power and transportation; they have been deeply affected by a blind, incomprehensible activity. Frankly, I cannot understand how Colombians can be so insensitive to the grief of the poor, of people who have no means of making a living, depriving them of jobs and paralyzing so many areas of the country. It is simply incomprehensible. Of course, this has deteriorated the climate of the dialogue. We have persisted in the search for political solutions, but with the conviction that this could be accomplished through dialogue. The moment may come when we believe that dialogue is no longer useful and then we may abandon it.

[Reporter] Mr. President, some people may believe, for example, that when the dialogue resumes in Caracas in mid-August, the first point discussed could be the cease-fire?

[Gaviria] The cease-fire is the first point on the agenda, and we hope to make it the highest priority, inasmuch as we must increase the dialogue's credibility. The dialogue has deteriorated because of the terrorist attacks, but we hope to restore its credibility and finally show signs of being involved in a serious process—not in an absolutely useless effort.

[Reporter] Mr. President, we are two weeks away from your first year in office. What has been your greatest source of satisfaction and, on the other hand, what has dissatisfied you the most?

[Gaviria] I am very pleased about how we have promoted institutional change in all areas of Colombian life. Of course, there have been changes that would have been unimaginable a few months ago. There have been changes that are fundamental to our democracy, changes that have increased the political system's legitimacy, changes that have purified its customs, changes that have significantly increased the possibility of citizen participation, and changes that should improve the justice system in Colombia. We have also made important changes within the economy and labor system. All of these changes will help, first, to bolster and intensify our democracy; and second, to modernize the country, which is where most of our work must be done.

I believe I can say that we have made a good deal of progress. Much is still left to be done regarding the country's modernization. Many of the country's structures are in the same backward, archaic condition as the economy. We have clung to the past and have failed to show signs of modernization. This is why I hope to devote a considerable part of the remaining three years I have in office to work on this. I want to modernize the country so that it can grow and so that we can do greater social justice based on prosperity, not stagnation.

[Reporter] In other words, frustrations have prevented modernization from progressing more rapidly.

[Gaviria] Yes, I want the country to advance much farther in modernization and do it with much more determination and willingness to overcome self-interests.

[Reporter] Mr. President, after 105 years, you gave the country a new constitution. You included so many new things in this constitution that the candidates had virtually nothing to campaign for on the streets. Everything had already been contemplated in the constitution. It could be said that you left the candidates speechless.

[Gaviria] [Laughing] No. I think that politics has a new language; that we have many changes to carry out; and that we have a large number of laws and initiatives that should permit the development of the constitution, which will lead us to a new institutionalism. I am sure that will be the main subject of the political leaders' campaign. Of course, we must be willing to expand these democratic changes which are so relevant for the country's life, and, as I told you, will give impetus to the nation's modernization process.

[Reporter] Mr. President, there are a few interesting things in the new constitution, such as administrative expropriation. What are you doing in order not to drive away foreign investors who might be upset because of this expropriation.

[Gaviria] I do not think they have been scared away. Administrative urban expropriation has already existed in the country. This expropriation cannot be effected without judicial control. There is administrative litigation control. Such a measure is hinged on the application of the law. At least as far as the government is concerned, we wanted administrative expropriation with an eye on urban reform and giving impetus to the agrarian reform and the construction of public roads. This is mainly why we wanted administrative expropriation and to present at the congress a bill to develop those principles.

[Reporter] Mr. President, a tax reform has also been included in the new constitution. You acted like a magician when you made this reform, which was intended to be minor but resulted in many more resources for the state. How will you orient this new tax reform? How many more taxes will there be and to whom will they apply?

[Gaviria] Well, we have established a relatively ample maturity period. These new taxes are intended to enable us to finance institutional developments—which the country pledged with the new constitution—and transfer resources to the various regions a little beyond the year 2000. We will work in the coming months to develop this legislation and ensure that this new institutionalism can be financed. We will work to ensure that there will be money available to fully develop all the new instruments provided for in the constitution, starting with respecting the people's rights and continuing with the creation of the Attorney General's Office and the available instruments to strengthen the administration of justice.

[Reporter] What sectors will be affected by the tax reform?

[Gaviria] I would say that we have many months to do that. I think we will have to work with the taxes that give the state more income and, undoubtedly, will not be as far reaching as the 1986 income tax reforms. Of course, the reform must be in accordance with the modifications that have been introduced to lower the taxes on foreign trade. I believe that is important; the country cannot continue to have such high taxes on its foreign trade because we are trying to develop the country's trade possibilities. I hope it will not be something harmful or affect the citizen's interests too much.

[Reporter] Mr. President, the new constitution did not touch on the topic of the public force. Did you like that?

[Gaviria] Yes, I believe it has always been presented as a slightly artificial problem—particularly when it is seen through the scope of peace. I am convinced that the Armed Forces are the greatest allies of the peace processes. That is what we have witnessed over these last two or three years in the peace processes with the M-19 [19 April Movement], EPL [Popular Liberation Army], Quintin Lame [Quintin Lame Commando Unit], and PRT [Revolutionary Workers Party]. The Armed Forces have been the biggest promoters of those peace processes, and I am sure that the Armed Forces are the main allies of a peace process at this moment.

Of course, there could be changes that could be made when the country returns to a situation of peace and tranquility. There might be changes that could be made on the public force but I would say that is neither essential or urgent at this time, nor does it form part of the country's more serious problems.

[Reporter] One of the many rights which you insisted that the new constitution include, Mr. President, was that public education should now be up to the fourth high school year. Will it be possible to fulfill this?

[Gaviria] Yes. I believe and trust that in the public institutions, and depending on developments in the legal aspects,

this will be one of the Colombian State's main goals and that we will be able to advance in the coming decades.

[Reporter] Mr. President, reelection of former presidents was also prohibited. Do you like the ban on reelection?

[Gaviria] I have no objection to that rule. I believe it is part of the renovative spirit in the country: the will for political change and the need to open space to the new generations of Colombians. I have no objection to that rule and, of course, I do not feel affected or hurt by the fact that the Constituent Assembly made that decision in its wisdom.

[Reporter] But being the youngest president the country has ever had, could Colombia not hope to count on you in a couple of years?

[Gaviria] [Laughs] Well, it cannot because the Constituent Assembly approved the ban on reelection and I have no concerns about that. I believe I will be able to serve the country in other fields or areas and, of course, do many things I have not been able to do for many years because I have been devoted to public activities.

[Reporter] But Mr. President, the constitution also allowed for the election of governors now, while the country seems not to have administratively assimilated the election of mayors yet. Do you agree with so many elections?

[Gaviria] We proposed it.

[Reporter] Yes, of course.

[Gaviria] We proposed the general elections for governors. The truth is that the system of picking the governors was a worn-out system. The governors only stayed a few months in practice. They were left in the hands of the area's political leaders; they were leaders without real authority or mandate. They had no opportunities to carry out a program or a government task. That is what we want to overcome with a governor who has the people's support, a three-year period, and an opportunity to carry out a government program. We want a governor who does not depend on the Parliament's support to be able to take steps. I think this will be an important change in Colombian life.

[Reporter] Regarding administration, are there any foreseen problems? For instance, the mayors have had no problems.

[Gaviria] No, I do not think there will be any problems. Of course, there are problems and difficulties today, but I do not think that those problems weigh more than the huge advantages of the general elections for governors and which we will see in practice. The general elections for mayors have been an excellent experience. This does not mean that all the mayors have been good, but the vast majority are in much better conditions. They are of better quality, have more support and authority than the mayors who were picked by the governors.

[Reporter] Mr. President, the World Bank recently issued a document on the Colombian economic policy. It seems to be that it says it is too hard and suggests that it be softened a little bit. Is that true?

[Gaviria] No, that is not true. Of course, one may always believe that free market operations—those that work with treasury bonds or Bank of the Republic currency—have gone further and have somewhat contributed to raise interest rates. However, the alternative that is always suggested is not to reduce monetary controls or permit higher currency exchange rates, but increase taxes and reduce public spending instead. This of course, is a much more difficult and complex alternative and it is not the alternative to reducing monetary controls. Interest rates go up when one exercises too tight a monetary control. We are aiming at an improved fiscal policy through higher taxes. We believe, though, that the path we have taken is one that guarantees a drop in inflation—our economic policy's cardinal goal.

[Reporter] Mr. President, will we reach the end of 1991 with the planned 22 percent inflation rate?

[Gaviria] That continues to be our goal. I do not know whether we shall be able to attain it, but 22 percent continues to be the economic authorities' goal, which we must continue to strive for.

[Reporter] How have you dealt with the differences between [Finance and Public Credit Minister Rudolf] Hommes and [Economic Development Minister Ernesto] Samper?

[Gaviria] No, not at all. In my opinion these differences have been somewhat exaggerated. The truth is that they maintain execellent personal relations and any differences have been reconciled and resolved in a harmonious and civilized way with a spirit of commitment. Never have they had any differences that interfered with government policy.

[Reporter] Did your time with the Monetary Board help you to propose that it be closed down, such as under the new constitution?

[Gaviria] This achievement is perhaps one of the most important economic matters within the new constitution. Eliminating the Monetary Board gives greater authority to the Bank of the Republic, helps create a permanent board, and serves to remove people from the board that may not have the best knowledge of monetary and exchange matters. I believe a notable achievement has been the prohibition to print money to cover government expenses. This has been a great achievement of the new constitution and is a guarantee of great future economic stability. These changes will give great independence to policies, will serve to reduce the fiscal deficit, and will protect the country from any experience of a populist nature.

[Reporter] In your campaign, Mr. President, you said you were not satisfied with the volume of Colombian exports. What is your goal?

[Gaviria] No, not at all. Exports have been growing very satisfactorily. The truth is that many of our recent economic problems are due to unexpected increases in exports, which have placed an unexpected load on the country's international reserves. Due to increased domestic interest rates a certain exchange boom has been created—which one way or another reflects a climate of confidence—in the form of fleeting funds [capitales golondrinas]. The behavior of the country's external sector is excellent—I would say unexpectedly good.

[Reporter] The other radical change was the control on currency exchange rates. What happened—was it eliminated?

[Gaviria] We did away with all currency exchange controls. By the way, nothing dramatic has happened and we have not lost control over international currency reserves or their growth. I believe we have given the market a much-needed openness, legitimacy, the possibility for businessmen to handle foreign exchange, and have prepared for the economy's internationalization.

[Reporter] What about unemployment, Mr. President? What about the employment possibilities for the 1 million unemployed? This figure has increased somewhat.

[Gaviria] We expect the economy to grow more in the future. We are hoping very much for this to occur after this opening in the Colombian economy. We are hoping for greater competition and more possibilities to expand the external sector and this will boost greater economic growth. This, of course, is the main ingredient to create employment in an economy. Many new jobs are created with an economy that grows satisfactorily.

[Reporter] Mr. President, will there be any cabinet changes after the October elections.

[Gaviria] I do not know. It is very difficult to guess, but as far as I can say I hope there will be no cabinet changes before the elections. We will have to wait for the elections to see if there is a need for certain cabinet changes.

[Reporter] President Cesar Gaviria Trujillo, thank you very much for accepting this invitation to appear on "In The Face of Events" [Frente a los Hechos]. It is truly an honor to have here tonight the president of all Colombians.

Peru

Fujimori Confirms All Ministers in Posts

PA2707023391 Lima Global de Television Network in Spanish 0130 GMT 27 Jul 91

[Text] President Alberto Fujimori decided to make no changes in the cabinet presided over by Carlos Torres y Torres Lara, reaffirming his confidence in all of the ministers. As is customary on the eve of the independence day holidays, the cabinet members submitted their resignations to allow Fujimori to confirm or remove them.

An official communique issued by the Presidency's Press Secretariat mentioned the insistent rumors of changes, which reportedly were to include Prime Minister Torres y Torres, as well as Energy and Mines Minister Fernando Sanchez Albavera, Agriculture Minister Enrique Rossi Link, and Health Minister Victor Yamamoto. The note states the following: This decision was made because the president is satisfied with the work done by the cabinet presided over by Torres y Torres.

Centrominperu Sells 9.22 Percent of Its Capital

PY2807214291 Lima LA REPUBLICA in Spanish 20 Jul 91 p 8

[Summary] Jose Almenara, Lima stock exchange general manager, reported that the government will collect approximately $1.5 million from the sale of more than 360 million Buenaventura mine shares, which were owned by Centrominperu. The shares account for 9.22 percent of Centrominperu's capital.

Italy To Donate $30 Million To Support Group

PY2807223291 Lima LA REPUBLICA in Spanish 22 Jul 91 p 6

[Summary] Italian Ambassador to Peru Bernardino Ossio has reported that the Italian Government will contribute $30 million to Peru's Support Group. Other countries already committed are the United States, Japan, Germany, the Netherlands, France, and Switzerland.

Economy, Finance Minister Bolona Interviewed

PY2507230191 Lima EL COMERCIO in Spanish 20 Jul 91 p A 4

[Interview with Economy and Finance Minister Carlos Bolona Behr by Juan Paredes Castro, in Guadalajara, Mexico—date not given]

[Text] [Paredes] Mr. Minister, many reports and figures on the process of reinstating Peru in the international financial community are being hidden or disseminated at different government levels. Could you give us more information?

[Bolona] We must clearly point out that we are working from two converging directions: First, through negotiations with the IMF as a condition for the process of reinstating Peru; and second, through the development of a consistent stabilization program that can be negotiated somehow with the IMF.

[Paredes] Good, but let us first hear about those reports and figures.

[Bolona] If we talk about the Support Group, the ideal total figure would be $1.3 billion, as is well known.

[Paredes] How much do we have already, and how much can we realistically expect to receive?

[Bolona] We are almost certain to receive between $1 to 1.1 billion. The United States has committed $350

million, Japan $400 million, the Andean Group has said it would provide $40 million, Germany has offered $135 million, Italy might provide $50 million, and Spain has assured us of its participation but has not defined the amount yet.

[Paredes] It has become difficult to obtain funds from Europe because of East European countries. How does Peru stand with France, for example?

[Bolona] It is true that East Europe is absorbing a lot of funds but there are other West European countries that could help, like the Netherlands and Belgium. These countries have fiscal problems, however, and are having to adjust their economies. The competition for European funds is great, and this complicates our chances. We must be more aggressive. Paris is, for the time being, a bit difficult.

[Paredes] How are we going to achieve anything then?

[Bolona] The Support Group will fulfill its role even if we obtain only $1 or 1.1 billion and not the ideal $1.3 billion that I mentioned at the beginning.

[Paredes] Are we close to receiving the first disbursements?

[Bolona] I think we are very close to seeing the light at the end of the tunnel.

[Paredes] What will happen next?

[Bolona] We will begin to negotiate with the Paris Club as soon as the Support Group begins to operate.

[Paredes] What difficulties will be encountered in that negotiation?

[Bolona] We will meet with representatives of all the creditor countries at the Paris Club negotiations, including representatives of the United States, Japan, and other countries. We have to refinance payments on our debt with each one of them. The amount to be refinanced totals $5 billion or more. The Peruvian case is more complicated than that of Poland or Egypt. We have to find new and creative formulas to deal with it.

[Paredes] Which of our creditors requires really new and creative formulas?

[Bolona] Japan. Japan has a very clear policy: It does not accept any debt pardon. Remember how tenaciously it resisted pardoning the Polish debt. Japan prefers to refinance, give concessions, or longer terms, but always within a severe framework of regulations and rules on conduct.

[Paredes] What are our chances of negotiating with the other creditors?

[Bolona] It will be difficult to refinance the debt with European countries. The influence of the United States, however, might be important.

[Paredes] What will Peru show or propose to the Paris Club?

[Bolona] We have to be very orderly in our negotiation for debt refinancing with the Paris Club. We must also be clear and flexible if we are to take advantage of the best conditions that Europe, the United States, and Japan can offer. Let us not forget that we are eight years behind with our payments. The attitude of Peru toward its creditors has been quite complex in the past few years.

[Paredes] What formulas do we have to overcome such a huge breach?

[Bolona] The problem will be how to stretch those eight years and spread its onerous burden. Before we begin to negotiate with the Paris Club we must go through the Support Group and the IMF. We will have a better idea on how to handle our creditors after we cross those bridges.

[Paredes] What will be the basis for the negotiations with the Paris Club?

[Bolona] The basis is our stabilization program. The structural reforms being made here were not made in other parts of the world, except perhaps Bolivia or some other country. What has been done, and what is being done, in Peru is incredible because the bottlenecks in the sectors of trade, ports, airports, and customs have been eliminated. These changes impress the international financial organization because of the seriousness of the objectives.

[Paredes] Are we beginning with the principle that we must recognize our debts?

[Bolona] Yes. We must recognize our debts and negotiate with our creditors.

[Paredes] Are we gaining the confidence of the external financial sector, considering that a while ago we practically enjoyed no confidence at all?

[Bolona] We have to convey confidence inside and outside the country. That is what we are doing. Confidence can be lost in days or weeks while its recovery, as in the case of Peru, takes years.

[Paredes] Will the letter that seeks to set our financial house in order be a key factor in the Paris Club negotiations?

[Bolona] Any effort to obtain concessions, and we will especially be seeking long-range concessions, implies a responsibility and an intention to set our financial house in order. This is normal in this type of negotiations, and we should even consider it healthy. No one will reward you for doing things irresponsibly. Some European countries will undoubtedly demand rigid negotiating conditions, for which we must be prepared.

[Paredes] In what order of importance do you hold our creditors?

[Bolona] I do not have the figures at hand, but if I have to give the order of importance I would say that the main creditors are the United States, France, and Japan on one side, and then Italy, Spain, the Netherlands, and Belgium on the other side. They each have their own characteristics.

[Paredes] Talking about importance, during which months will we be thinking of entering the financial system?

[Bolona] September and October will be key months to draw up the final strategy for reinstating Peru into the system and to refinance the debt. We still need time to negotiate bilaterally and multilaterally. It is important to devise an intelligent payment program which would allow us to receive, in a more flexible manner, more from the outside than we can give from the inside.

[Paredes] Is there any change or stimulation from the IDB [Inter-American Development Bank]?

[Bolona] Yes. The main change by the IDB toward us is its willingness to act immediately. This organization will probably have important disbursements for us in September. The IDB is also aware that Peru must have positive net flow. The IDB will release more funds than what we have to pay to it despite the fact that Peru has not paid what it owes this organization, on top of the deplorable attitude shown by the previous administration toward the IDB.

[Paredes] Can you confirm if the IDB is willing to financially support the structural reforms being carried out?

[Bolona] The IDB will definitely support the structural reforms. It will grant us credits for results already achieved, but this is not an additional condition.

[Paredes] Specifically, what sectors will benefit from these credits?

[Bolona] The credits will benefit our foreign trade, the financial system, transportation, and will include a special credit for agriculture.

[Paredes] Will the government persist with the legislation on investments in agriculture?

[Bolona] Definitely. The government is putting the final touches to the new legal instruments. Development must begin to gain momentum in the agricultural sector which has been neglected for too long.

[Paredes] You are not in Guadalajara by accident. You have made some good contacts here with people who are relevant to Peru's foreign connections. For example, you spoke to Enrique Iglesias, U.N. secretary general and IDB president. What new information are you taking with you to Lima?

[Paredes] Because of the position he holds, Javier Perez de Cuellar is a crucially important man who can help our negotiations with the IMF. He has already effectively helped us by contacting those countries that offered to participate in the Support Group. His high-level political contacts in France, Italy, and Spain will certainly yield fruits. Under the present circumstances, we have to use whatever influence and advantage we have available.

[Paredes] Returning to the reestablishment of our financial rationality, which is so necessary for reinstating Peru into the international financial community and for negotiating with the Paris Club, what will the fiscal picture be from now until December in the terms of the internal situation?

[Bolona] First, we have to harness our fiscal deficit. This will demand concrete actions to restrain expenditures all the way. We cannot disburse what we do not have. We have to find revenues through taxes in line with a definite tax policy. This does not mean that we will apply taxes in a helter-skelter fashion. We will enhance taxes like IGV [general sales tax]; selective consumption (fuel) tax; income tax, by expanding its liability base; and foreign trade goods. These taxes should raise more revenues provided a series of readjustments and reforms are made. In sum, we have to refrain from patching up our tax system because it will not solve the fiscal problem.

[Paredes] And state austerity as a counterpart?

[Bolona] For the rest of the year there will be no salary increases in the public sector; definitely not. There will be no new hirings either. Public investments will be cut in half. Other important projects will be suspended. All this speaks of absolute austerity in the public sector. We will continue to firmly apply the fiscal brake. There is no other way.

Venezuela

ANC President Mandela Begins Official Visit

Meets Perez on Arrival

MB2807070891 Johannesburg South African Broadcasting Corporation Network in English 0600 GMT 28 Jul 91

[Text] The president of the ANC [African National Congress], Mr. Nelson Mandela, has arrived in the Venezuelan capital, Caracas, on the third stop of his tour of Carribean and Latin American countries. Mr. Mandela and his 10-member entourage were met at the airport by President Carlos Andres Perez of Venezuela. Mr. Mandela will brief President Perez on the recent political developments in South Africa.

Mr. Mandela was scheduled to attend a gala dinner at the presidential palace in the city where he would receive Venezuela's second highest honor, the Grand Cordon of the Liberator. His wife, Winnie, will receive the country's third highest honor, the Order of Andres Bello.

Blames Pretoria for Violence

MB2907055891 Umtata Capital Radio in English 0500 GMT 29 Jul 91

[Text] ANC [African National Congress] President Nelson Mandela has questioned the South African Government's commitment to talks with the ANC aimed at finding a peaceful solution to the nation's problems.

Speaking in Venezuela yesterday, Mandela referred to the Inkathagate funding scandal and said that he wasn't sure if he could trust President F.W. de Klerk's administration.

Mandela blamed the white-led government for the current wave of violence that has claimed hundreds of lives. He did,

however, add that South Africans have the capacity, the patience, and the morale to destroy apartheid.

The ANC leader is in Venezuela as part of a Caribbean-Latin American tour which has already taken him to Jamaica and Cuba and will include visits to Mexico and Brazil.

Counternarcotics Agreement Signed With Paraguay

PA2807133691 Madrid EFE in Spanish 2343 GMT 23 Jul 91

[Text] Caracas, 23 Jul (EFE)—Venezuela and Paraguay signed in this capital today an agreement to create a permanent mechanism for consultation and concerted political actions and another for the prevention, control, oversight, and repression of illegal drug consumption and trafficking.

The agreements were signed by Paraguayan Foreign Minister Alexis Frutos Vaesken and Acting Venezuelan Foreign Minister Rosario Orellana Yepez. The two officials also signed a basic agreement on cultural integration to foster the exchange of professors, researchers, scientists, artists, and cultural representatives from both countries.

The signing of these documents is part of the activities scheduled on the occasion of a three-day official visit to Venezuela by Paraguayan President General Andres Rodriguez that will end on 24 July.

The respective foreign ministries are tasked with the implementation of the agreement to establish a mechanism for consultation and concerted political actions. The two foreign ministers commit themselves to meeting again "at least once a year at alternate sites in Venezuela and Paraguay."

As part of the struggle against drug comsumption and trafficking, the governments of the two nations decided to create a joint commission "made up of representatives of their appropriate national bodies as well as from the foreign ministries of both states." This joint commission will draft its own by-laws, establish its own goals, and decide on the means and plans that will be implemented to stop drug trafficking.

The agreement, which will last two years, calls for the exchange of information on drug trafficking in coastal and airport customs posts and compilation of detailed information on the kind of materials used to manufacture drugs.

* Relations Between AD, Perez Assessed

91P40374A Caracas EL UNIVERSAL (Section 1) in Spanish 3 Jul 91 p 12

[Text] The CEN [National Executive Committee]-government meeting held on Monday [1 July] night to analyze financial reforms, and in particular the banking laws reform, represented another failure in the effort to improve relations between the two.

A CEN member told this journalist that the atmosphere [at the meeting] was quite cold and that there was no quorum of the National Directorate since only 16 people attended. On the one hand, it is acknowledged that President Perez is making an effort to improve relations with his party, and on the other, he makes decisions that undermine these efforts.

The CEN-government dinner was held after a week of friction between the government and the Confederation of Venezuelan Workers [CTV] over the issue of social benefits. President Perez reversed himself after several tense days when labor leaders threatened him with strikes and work slowdowns. Moreover, AD [Democratic Action Party] is unhappy over the dismissal of Esperanza Vera and the nomination of Leonardo Pizani as president of Corpoindustria. Esperanza was hounded by the Development Ministry and Foncrei [expansion not given] because she did not agree with the neoliberal schemes they were trying to impose on her.

AD members feel that they have lost control of one of the few social programs that they managed, and that the party could not get enough credit to buy even a sewing machine. This makes many AD members ask what sense is there in being part of a government in which they have no power. There is a sense of expectation in the party over the talk of ministerial changes, and the party is worried that its power will decline even more, especially since there is speculation that Carlos Blanco could replace Luis Vezga Godoy in the General Directorate of the Central Information Office [OCI]. This position is considered vitally important and should be filled by an AD member. AD will roundly oppose such a change.

The government's interference in the internal process for choosing new party officers is also affecting its relationship with the party. The government is accused of favoring the candidacy of Aura Loreto de Rangel for the National Women's Secretariat, and of Yuri Campos for the National Youth Secretariat. In the case of Aura Loreto, there has been a disproportionate amount of propaganda; the orthodox wing is asking who is financing this costly campaign. The sole source must be the government, because it can afford the expense.

These things create tension, and perhaps because of this, many CEN members did not attend the meetings at La Casona. There is no point in expressing an opinion or presenting a point of view if they ultimately are not taken into account and President Perez makes his decisions without consulting them. It is true that this government has communicated more with the party [than others], but it confers least with the party when it is time to make important decisions.